



Daily Report

Latin America

FBIS-LAT-92-168
Friday
28 August 1992

Daily Report

Latin America

FBIS-LAT-92-168

CONTENTS

28 August 1992

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

FRONT PAGE

INTER-AMERICAN AFFAIRS

Andean Pact 'Relieves' Peru of Commitments [Lima Radio]	2
Bolivia Views 'Sad News' [La Paz TV]	2
Opal Approves Amendments to Tlatelolco Treaty [Mexico City TV]	2

CARIBBEAN

Cuba

U.S. Efforts To Expand Embargo Criticized [Havana Radio]	3
Adherence to Tlatelolco Treaty Confirmed [Havana Radio]	3
Labor Groups Formed To Resolve Work Problems [Havana Radio]	3
Donations Worth \$5 Million Arrive From Spain [Havana TV]	4

Haiti

Soares Proposes Indirect Bazin-Aristide Meeting [Port-au-Prince Radio]	4
Finance, Bank Officials Appear Before Senate [Port-au-Prince Radio]	4

MEXICO

Salinas, Chong Chu-yong Discuss ROK Investment [Seoul YONHAP]	5
---	---

CENTRAL AMERICA

El Salvador

Military Plane Crashes on Montecristo Mountain [San Salvador Radio]	6
Two Deaths Confirmed [San Salvador Radio]	6
Allies Set 'Dangerous Precedent' in Iraq [San Salvador Radio]	6
FMLN Commander on Peace Process Progress [San Salvador Radio]	6
FMLN To Consider Extension of 31 Oct Accord [San Salvador TV]	7
FMLN Compliance 'Demanded' [San Salvador TV]	7

Guatemala

Government Insists Peace Dialogue Will Continue [SIGLO VEINTIUNO 26 Aug]	8
--	---

Honduras

Callejas Talks About Politics With Journalists [Tegucigalpa Radio]	8
National Reconciliation Commission Reactivated. [LA PRENSA 26 Aug]	10
Further on Honduran, Salvadoran Military Meeting [Tegucigalpa Radio]	11

Panama

Ford Resigns Post as Planning Minister [Panama City Radio]	12
Legislators At Odds Over Zarak Nomination [Panama City TV]	14
Government Minister Supports Municipal Police [CRITICA LIBRE 20 Aug]	15

SOUTH AMERICA

Argentina

Menem News Conference Lauds Economic Policy [Buenos Aires Radio]	16
--	----

Bolivia

Minister on President's Uruguay Visit, Stopover [La Paz TV]	16
---	----

Brazil

Collor, Leaders, Ministers Discuss Situation [Brasilia Radio]	16
Columnist Predicts Collor May Leave in 15 Days [Madrid EFE]	17
Moreira Lauds Collor's Economic Achievements [Madrid EFE]	17
Opposition Accelerates Impeachment Process Vote [O GLOBO 27 Aug]	18
Minister, Chamber of Deputies President Meet [Brasilia Radio]	18
Further on Collor's Interview With Argentine TV [Rio de Janeiro TV]	19
PMDB Expels Paulo Cesar Farias; PC Laughs [FOLHA DE SAO PAULO 26 Aug]	19
Collor 'Advised To Be Absent' From Army Event [FOLHA DE SAO PAULO 26 Aug]	19
'Riots' Feared If Impeachment Not Approved [FOLHA DE SAO PAULO 25 Aug]	20
Arrest of Former Chilean Agent Viewed [O ESTADO DE SAO PAULO 23 Aug]	20
* Changes Result in Improved Export Picture [VEJA 29 Jul]	21

Chile

Argentine President Arrives for Official Visit [Santiago Radio]	22
Ambassador to Yugoslavia Recalled in Protest [Santiago Radio]	22
Contacts With Peruvian Armed Forces Increasing [EL MERCURIO 17 Aug]	23
Ministers Sign \$1.5 Billion Contract [Santiago Radio]	23

Colombia

Escobar Given Ultimatum for Sentence Reduction [Santa Fe de Bogota TV]	23
FARC Stages 'Violent Attack' in Meta Department [Santa Fe de Bogota TV]	24
Rebel Political Movements, Parties Lose Status [Santa Fe de Bogota TV]	24
CNGSB Presents Proposal for Negotiations in Video [Santa Fe de Bogota TV]	24

Peru

Government Creates 'Managerial Support Fund' [EXPRESO 13 Aug]	25
Unfulfilled Promises Promoting Social Conflict [EXPRESO 17 Aug]	25
Diplomats Ordered To Counteract Propaganda [Lima TV]	25
* Social Spending Slated To Increase in 1993 [EL PERUANO 17 Jul]	25

Uruguay

Bolivia's Paz Zamora Signs Agreements 25 Aug [La Paz Radio]	26
Lacalle, Menem Sign Extensive Declaration [Montevideo Radio]	26
Education Minister, Under Secretary Installed [EL PAIS 20 Aug]	27

Venezuela

Officials Comment on Turpial Investigation	27
Navy Denies Arrest Warrant [Caracas TV]	27
Minister on Warrants [Caracas TV]	27
Minister Ochoa Cited [Caracas TV]	28
Media Representatives Comment on Perez Meeting [Caracas TV]	28
Commission Formed To Reorganize Finance Ministry [Caracas TV]	29

Panama

Panama City radio carries a weekly news conference with President Endara and his ministers in which he announces that Vice President Guillermo Ford will leave his post as planning minister. Ford "tendered his resignation as planning and economic policy minister" to fulfill the "urgent need" for a high-ranking official to supervise "every aspect of the advancement and progress of the Economic Development and Modernization Program." Endara stated Ford is the "best person to coordinate this huge effort" and he could not continue in both capacities for his "ministerial duties are time consuming and carry many responsibilities." Endara announced that he had chosen Delia Cardenas to replace Ford as planning and economic policy minister.

Brazil

Brasilia radio reports that President Collor, at a meeting with supporters, "made an assessment of the current political situation and outlined a strategy to prevent the impeachment of his government." Planalto Palace spokesman Etevaldo Dias said that "the president will not resign and never thought of resigning, and that those who believe they will be able to convince the president to resign are deluding themselves." PDS [Democratic Social Party] Deputy Jose Lourenco stated "the government can already count on 253 votes in its favor, which is enough to prevent the impeachment," since only 168 votes are needed. Lourenco predicts "the 165 deputies who do not want to disclose their vote will vote for the 35 million Brazilians who voted for the president."

Madrid EFE reports that "veteran columnist" Carlos Castello Branco predicts "Collor will be unable to remain in power for more than 15 days," since "the forces that are today pressuring Collor to resign or for his impeachment are so many and so powerful." The approval of the Congressional Investigating Committee report "shows that the government will be unable to gather the 168 votes...required to block an impeachment process." Regarding the "possible scenario of an Itamar Franco government," the Sao Paulo State Federation of Industries concluded "'Itamar cannot be worse than Collor' and that any solution is better than indefiniteness, particularly if the solution is a short one."

Colombia

Santa Fe de Bogota TV reports Prosecutor De Greiff has announced, "If drug trafficker Pablo Escobar Gaviria does not turn himself in" by 28 August, "he will lose the benefits of sentence reduction for the crime of escaping from prison."

Andean Pact 'Relieves' Peru of Commitments

PA2608192692 Lima Radio Programas del Peru
Network in Spanish 1800 GMT 26 Aug 92

[Text] The plenipotentiary ministers of the Andean Pact countries agreed to grant Peru's request to be relieved temporarily of its commitments regarding the liberation program until 31 December 1993.

The decision adopted grants Peru a status which relieves it of its commitments assumed in matters pertaining to common tariffs, perfecting the free trade zone, and harmonizing macroeconomic policies. It was also agreed that in acquired commitments, which involve other aspects of integration and the financial mechanisms of the region, such as the Andean Development Corporation, Peru will maintain its role as an active, fully participating member. It was agreed that Peru can engage in bilateral commercial agreements with the countries of the sub-region.

Bolivia Views 'Sad News'

PY2808114492 La Paz Television Nacional Network
in Spanish 0040 GMT 28 Aug 92

[Excerpt] Peru's decision to temporarily withdraw from the Andean Pact will not greatly affect Bolivia. It is expected that early next month Andean Pact member countries will lift all restrictions on its exports.

As we already know, during the past few hours, Peru decided to temporarily withdraw from the Andean Pact until 1993, claiming that protectionist measures were imposed on its exports by many Andean Pact member countries. This situation has prompted the Andean Pact member countries to lift the list of restrictions as of 30 September.

Bernardo Inch, the Bolivian representative in the Andean Pact, provides more details:

[Begin recording] Peru's decision to temporarily withdraw from the Andean Pact is sad news. Great progress has been made in the Andean Pact, considering that as of 30 September all restrictions by member countries will be lifted. This measure means that Bolivian exports will have free access to Ecuador and Colombia. There are competitive products that Bolivia can now easily export because the list of restrictions has been lifted. Meanwhile, Ecuador is opening a free duty zone for Bolivia as of 30 September and for Colombia and Venezuela as of 31 March 1993. That is, the Ecuadoran Government is

giving preferential treatment to Bolivia by establishing a free duty zone within one month. This move, which was not possible for three years, will become a reality within one month. Colombia, Venezuela and Ecuador established subsidies and incentives on exports which caused disloyal and unfair competition to Bolivian businessmen. These subsidies and incentives on exports will be eliminated as of 30 September. [end recording] [passage omitted]

Opanal Approves Amendments to Tlatelolco Treaty

PA2808013092 Mexico City XHTV Television Network
in Spanish 0200 GMT 27 Aug 92

[Report by Gabriela Resendes]

[Text] The amendments presented by Argentina, Brazil, Chile, and Mexico to the treaty to ban nuclear weapons in Latin America and the Caribbean, namely, the Tlatelolco treaty, were approved and signed during the closing ceremony of the seventh extraordinary meeting of the general conference of the Organization for the Prohibition of Nuclear Weapons in Latin America and the Caribbean, Opanal, the organization which supervises compliance with the Tlatelolco treaty.

At the headquarters of the Mexican Foreign Relations Secretariat, Foreign Relations Secretary Fernando Solana said the approved amendments open the way for the full incorporation of Argentina, Brazil, and Chile to the Tlatelolco scheme. Recalling the day the treaty was put into force in 1969, Solana said it marked the signatory countries renunciation of the squandering of resources for the construction of nuclear weapons:

[Begin Solana recording] We maintained the conviction that resources generated in our countries should be channeled to the economic and social development of our societies rather than to the industry of death and military expenditures that reached \$1 trillion. [end recording]

He said the end of prolonged confrontations in the region and bloody wars among fraternal peoples is drawing closer with the full incorporation of these nations to the treaty. Solana added Latin America today requires greater efforts to channel additional resources to economic development tasks.

Opanal Secretary General Antonio Stempel said the full integration of Argentina, Brazil, Chile, and Cuba into the Tlatelolco treaty could occur before September 1993.

Cuba

U.S. Efforts To Expand Embargo Criticized

FL2608143592 Havana Radio Rebelde Network
in Spanish 1155 GMT 26 Aug 92

["Our Opinion" commentary by Orlando Contreras]

[Text] Cuba has demanded that the UN General Assembly, during its 47th session which begins in September, debate and decide on the U.S. Government's recent efforts to strengthen the embargo against Cuba in economic, trade, and financial fields. The request Cuba addressed to Secretary General Butrus-Ghali is based on the 12 April decision of the U.S. Administration that prevents vessels flying any flag whatsoever that transport cargo from or to Cuba from operating in U.S. ports.

It is evident that this sanction affects third parties, and therefore, in accordance with the most strict interpretation which can be made of international laws, is a blockade and not an embargo, as Washington alleges. Besides these elements which, I reiterate, are an obvious violation of international laws and the UN Charter, it is good to remember that congressional bills attempting to enforce U.S. laws abroad are under discussion.

Congressmen Connie Mack and Robert Toricelli are the authors of this bill, which presents a unilateral solution to the extraterritoriality of U.S. laws and tries to stop subsidiary companies of U.S. firms, located outside the country, from trading with Cuba. These subsidiary companies, according to international laws and the internal legislation of the majority of UN member countries, must be subject to the laws of the countries where they are located and not to U.S. law.

These decisions, these drafts of law already submitted for congressional approval, reveal unmistakable, insolent, political aims, the goal of which is to crush the Cuban revolution from an obvious interventionist, aggressive, supervisory position. The aims are completely contrary to the laws and principles of noninterference and respect for sovereignty.

In a world characterized by U.S. political and military unipolarity, but with economic tripolarity, Washington has arrived at the extreme position of validating the kidnapping of foreign citizens abroad, forcefully apprehended in clearly [word indistinct] operations with the aim of being judged and sentenced in the United States. That the majority of the international community rejects these kinds of procedures does not seem to bother Washington too much; it is, little by little, substituting respect for international agreements and law with force, which stimulates and grants its political and military unipolarity in the world today.

Adherence to Tlatelolco Treaty Confirmed

FL2808024092 Havana Radio Rebelde Network
in Spanish 2300 GMT 27 Aug 92

[Text] Today, Cuba reiterated its intention to adhere to the Tlatelolco Treaty for the sake of Latin American unity once all the states of the region assume their obligations regarding the agreement. Cuba's position was stated before the plenary session of the disarmament conference by Cuban Ambassador Jose Perez Novoa [title as heard]. Perez Novoa said that Cuba maintains the same position it expressed in Guadalajara.

Perez Novoa said that during the First Ibero-American Summit, our Commander in Chief Fidel Castro expressed the commitment to join the agreement for the prohibition of nuclear arms in Latin America, known as the Tlatelolco Treaty, as soon as other countries in the area comply with the agreement. This treaty, which was signed in 1967, has not taken effect due to the unwillingness or the lack of confirmation by some states of the region.

According to Perez Novoa, Argentina, Brazil, and Chile presented at the beginning of the year a collection of amendments to update the text of the agreement in consideration of nuclear developments in Argentina and Brazil. Nevertheless, bearing in mind the reasons that determined their noncompliance to date, the Cuban Government has already informed those states involved that the amendments are acceptable and that they do not represent a change in Cuba's position with regard to the treaty.

Labor Groups Formed To Resolve Work Problems

FL2708140492 Havana Radio Rebelde Network
in Spanish 1155 GMT 27 Aug 92

[Text] A total of 1,279 grassroots judicial labor groups have been created in Havana Province and should begin functioning on 1 September. The objective of these judicial groups is to resolve the great majority of disputes that arise in the workplace, while promoting increased discipline of collective workers.

The grassroots judicial labor groups are composed of three workers, one administrative representative, and one union representative, who form a collective court in the work centers to resolve conflicts on the one hand and to enforce disciplinary measures on the other.

These judicial groups do not handle terminations or work transfers. These issues are heard in the municipal courts. This new application of labor justice serves to educate the collectives while improving grassroots procedures.

Donations Worth \$5 Million Arrive From Spain*FL2708142792 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 27 Aug 92*

[Text] At 1600 on 26 August, the Ignacio Agramonte ship arrived in the port of Havana from Puerto Real in Cadiz, Andalusia, with donations valued at more than \$5 million. Puerto Real Mayor Barros, referring to the efforts to organize this donation, said this will be the most complete donation due to the quantity and diversity of its products.

[Begin Barros recording] The donations have that characteristic, in addition to the dignity, ethics, and moral factors [passage indistinct]. It is a very heterogeneous cargo and its goal is amply fulfilled. I might even say that the donation could have been greater in volume, if not in the number of items, but physical capacity [of the vessel] was also a determining factor in this case. [end recording]

The ship was loaded with the help of the people of that region—peasants, women, and youths from various sectors. The cargo includes buses, tires, jeeps, one printer [rotativa], medicine, and other donations. To get an idea of the amount of medicine donated by Puerto Real, 300 containers are aboard this ship, with another 700 arriving in the next shipment.

[Begin Barros recording] If the ship had different features, the volume of the donation would have undoubtedly been greater, but this does not matter now and we are awaiting the second ship. Therefore, everything that we were unable to load will return in November shipments to coincide with the fourth centennial celebration of the establishment of Havana as the capital of Cuba. It is now a matter of waiting, but not for too long. [end recording]

Two tons of medicine also arrived on 25 August from Galicia. Similar donations from Galicia are expected to arrive over the next few days. Further donations of medicine have also arrived from the Spanish regions of Murcia, Zaragoza, Salamanca, and Barcelona.

Haiti**Soares Proposes Indirect Bazin-Aristide Meeting***PA2808005892 Port-au-Prince Radio Tropic FM in Creole 1200 GMT 27 Aug 92*

[Text] In a letter sent to the Bazin government on 25 August 1992, OAS Secretary General Joao Clemente Baena Soares indicated he would like to meet with representatives of Mr. Bazin and President Aristide in

Washington for negotiations about the serious political crisis the country has been experiencing since 30 September. Prime Minister Bazin has not yet officially responded to Mr. Soares' proposal. President Aristide has not indicated who he will send.... [pauses] whether he will send a representative to the meeting. If both parties agree to the meeting, Soares will meet with them at the OAS building in Washington on 1 September 1992.

Finance, Bank Officials Appear Before Senate*PA2808005692 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 27 Aug 92*

[Excerpts] At the request of the Senate Finance Committee, Finance Minister Wiener Fort and Central Bank Governor Bonivert Claude appeared before the Senate on 26 August to answer questions on raising the money issuance ceiling. According to the president of the Finance Committee, Senator Guy Bauduy, the purpose of the meeting was to allow the committee to complete its work on the government bill and to determine the feasibility of passing this bill.

Finance Minister Fort pointed out to the senators the exceptional situation the country is now experiencing because of the embargo by the OAS. The finance minister stated the embargo has caused disruptions in the Haitian economy. Local production and exports have decreased, the country's currency has been increasingly devaluated, and private enterprises have not succeeded. All these considerations should prompt the senators to understand the difficult situation the country is now experiencing, the minister said. Some senators, including Guy Bauduy and Wesner Emmanuel, expressed concern about the serious consequences the creation of money will have on Haiti's economy. [passage omitted]

Mr. Bonivert Claude, governor of the Central Bank, said that only 3 million gourdes are available to pay state workers. Claude asserted that the circulation of new paper money and coins in the country does not present any danger. He asked the senators to have faith in the Central Bank, which will apply a sound monetary policy to avoid any problems for Haiti's economy. Claude believes it is necessary to raise the money issuance ceiling because the Central Bank's problems are intensifying. [passage omitted]

The monetary authorities proposed a 800 million gourdes increase so the Haitian Government could continue to operate normally. The Chamber of Deputies already approved an increase of 500 million gourdes. The senators, however, have not yet expressed their views about this bill. Some senators think the government does not have the right to undertake such a bill, while others think they should hasten to vote on this bill.

Salinas, Chong Chu-yong Discuss ROK Investment
SK2808073292 Seoul YONHAP in English
0224 GMT 28 Aug 92

[Text] Mexico City, Aug. 27 (YONHAP)—Mexican President Carlos Salinas told a visiting South Korean opposition politician Thursday [27 August] that he wanted more Korean firms to invest in Mexico and expand mutual exchanges.

Meeting with Chong Chu-yong, leader of the Unification National Party [UNP, officially renamed United People's Party] and founder of the Hyundai Group, Salinas said that if Korean companies took part in Mexico's economic development it would contribute to the economic development of both countries.

Salinas told Chong he would make an official visit to Seoul in May 1993 to discuss ways to promote economic cooperation between the two countries.

Salinas had planned to visit Korea in September this year to reciprocate President No Tae-u's visit to Mexico

in September last year, but postponed it to May next year due to domestic affairs, including the declaration of the North American Free Trade Agreement (NAFTA). His Seoul visit will be made as part of his Far Eastern tour, which will take him also to China and Japan.

The two men focused their 35-minute talk on the participation of Hyundai Heavy Industries Co. and Hyundai Engineering and Construction Co. in a 150 million-U.S.-dollar contract to build a ship repair yard and a project for constructing a canal, respectively, an aide to Chong said.

He quoted Salinas as asking Chong to help Korean companies participate in construction of the dockyard, which may turn Mexico into a center for ship repair in the region.

Asked whether the two men discussed political or diplomatic issues pending between their countries, Pyon Chong-il, the UNP spokesman, said, "There were no discussions at all."

El Salvador

Military Plane Crashes on Montecristo Mountain

PA2708184692 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 27 Aug 92

[Text] A C-123 military plane crashed on Montecristo Mountain in western El Salvador on 27 August. The Armed Forces Press Committee [Coprefa] reported that it is believed that four members of the crew were killed and several were injured. A Coprefa spokesman indicated that the Air Force plane was transporting troops who were involved in civic action support tasks of the 2d Infantry Brigade based in Santa Ana. The Coprefa spokesman added that the airplane was flying over Montecristo Mountain when it crashed at 0945 [1545 GMT]. Coprefa said further details on the plane crash will be issued in the next few hours.

Two Deaths Confirmed

PA2708203392 San Salvador Radio Cadena YSU in Spanish 1725 GMT 27 Aug 92

[Text] We have further information on the crash of an Air Force plane. The deaths of two Salvadoran Air Force [FAS] officers has been confirmed. They are Captain Velasquez and Lieutenant Romel Chavez Cardenas. It has also been reported that two mechanics also died in the crash, which occurred at 0945 when the FAS C-123 airplane went down in the area known as La Majadita on Montecristo mountain in Santa Ana. Civilian sources reported that the crash occurred at 0945 [1545 GMT].

The Armed Forces Press Committee, Coprefa, has yet to issue an official report on the accident, which occurred in Santa Ana 140 km west of San Salvador. It was reported that two other members of the six-man crew parachuted out of the plane. Three FAS helicopters are looking for them. It was stated that the C-123 was participating in civic action tasks in the town of Santa Rosa Guachipilin.

Allies Set 'Dangerous Precedent' in Iraq

PA2708210592 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 27 Aug 92

[Station commentary]

[Text] Effective 27 August, the United States and its two allies, France and the United Kingdom, have taken possession of the southern part of Iraq through brute force, thus violating international law.

The three countries—which call themselves leaders of the civilized world but do not explain if they understand the term civilized as living in the stone age or the middle ages—have set a very dangerous precedent for world security: Anyone feeling powerful can violate the sovereignty of the weak.

The United States and its two followers, which praised the United Nations when this organization supported them in the Gulf war, are trying to ignore that they do not have a UN consensus to implement their ambitious plans for this aggression.

To seize part of Iraq illegally, the three countries are using the pretext they are protecting an Islamic minority living in the region from repression. This is a flimsy excuse to hide their true interest: To control the world's oil reserves.

Iraq made the mistake of invading Kuwait in 1990. This action created all the conditions the West needed to control a large share of the oil reserves in the Middle East. It also resulted in greater division within the Arab world.

In view of the decision made by the United States and its followers to seize the southern part of its territory, Iraq has renewed its call for a new military confrontation. Notwithstanding, it seems unlikely Iraq will have the capacity to face the three Armies that are attacking it now. Furthermore, it seems very unlikely that other Arab nations will support Iraq in a military adventure.

We are certain Iraq's defensive and offensive capacity was wiped out following the Gulf war. It will be very difficult, therefore, for that country to confront the United States and its allies militarily.

What is left is for the Arab world to begin looking for ways to overcome its differences. This will be a very difficult task but, in view of the Western threat, the time has come to reconsider positions while Iraq is earning the confidence of its neighbors by proving it will not make any more blunders, such as the one in 1990 when it invaded Kuwait.

Regretfully, almost the whole world has sat back and done nothing in the face of this dangerous action that sets a precedent because in the future any nation can become a victim of the bullying of the West.

FMLN Commander on Peace Process Progress

PA2808025592 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 26 Aug 92

[Text] The Farabundo Marti National Liberation Front [FMLN], through its general commander, confirmed that the concentration of forces has been completed at all levels as a result of rescheduling the peace agreement, after the visit of Marrack Goulding, UN under secretary general. FMLN Commander Joaquin Villalobos demanded an alteration of the schedule for the fulfillment of the agreements. Villalobos reiterated that two aspects of the agreement are fundamental for the FMLN.

[Begin Villalobos recording] For a 100 percent compliance, there are two fundamental aspects that need more time to be completed. We feel that for the conclusion of the cease-fire, the deployment of the National Civilian

Police must be initiated. There has to be congruency....[pauses] the agreement we signed in Chapultepec establishes this congruency; gunfire ends when the National Civilian Police starts to take over the control of the nation's public security. This aspect is not expressly stated in the agreement as formulas are to be debated that will make the cease-fire congruent with the National Civilian Police's deployment. The transfer of land must be done in an irreversible proportion. This transfer of land is for the combatants who are going to demobilize. They are not going to demobilize for a machete or a pen, instead they are searching for true structural changes on the economic level. It must be like this, this is the goal, this is what the evaluation to be made in September will determine. At this time, it will be assessed if true structural changes on the economic level and regarding the nation's public security are taking place. [end recording]

Villalobos, when commenting on events in the peace process, said that although it is complicated, it is stable considering the progress each side is making in compliance of the agreements. Nevertheless, among the problems that have surfaced is the weapons inventory presented by the guerrillas, which even the United Nations has questioned. To solve this situation there will be a meeting soon.

FMLN To Consider Extension of 31 Oct Accord

PA2808002692 San Salvador Canal Doce Television
in Spanish 0300 GMT 27 Aug 92

[Report by Alfredo Villarreal]

[Text] The FMLN [Farabundo Marti National Liberation Front] General Command has indicated that on 16 September it will evaluate whether the 31 October deadline for complying with the peace accords will be extended. In addition, the FMLN General Command reported that the FMLN Security Committees have been dissolved.

The FMLN General Command leaders explained in a news conference that the 31 October deadline for complying with the peace accords is not final, adding that there could be an extension. According to [Joaquin] Villalobos, this will be confirmed on 16 September, when both parties will report to the United Nations on compliance with the delayed agreements.

[Begin Villalobos recording] The schedule for accord implementation is subject to an evaluation on 16 September. On that day, it will be defined whether it is feasible to comply with that schedule or if an overall adjustment of the accord implementation agreement is necessary. This is our view on this, as this is not a final agreement. In this regard, the 31 October deadline is not final. [end recording]

Villalobos added that, as Iqbal Riza confirmed, the FMLN Security Commissions have been dissolved.

[Begin Villalobos recording] The gathering of FMLN forces has been completed. We have complied fully with the requirement to gather our forces. The special public security administration in the conflict areas is up for discussion. [end recording]

The FMLN commanders stated that the peace process in El Salvador is irreversible. However, Villalobos said:

[Begin Villalobos recording] Only a catastrophe such as a dirty war or a coup d'etat could adversely affect the peace accords. [end recording]

The FMLN hopes that on 31 August, the government will begin delivering land and not only machetes to the former combatants. The structural changes will be the key to strengthen the peace process, the FMLN commanders concluded.

FMLN Compliance 'Demanded'

PA2808021292 San Salvador Canal Doce Television
in Spanish 0300 GMT 27 Aug 92

[Report by Salvador Abarca]

[Text] General Mauricio Ernesto Vargas, deputy chief of the Armed Forces Joint Chiefs of Staff, has demanded that the FMLN [Farabundo Marti National Liberation Front] fully comply with the dates in the new agreement implementation schedule. Gen. Vargas states there are still five points unfulfilled by the FMLN, which must show real political willingness within the framework of a new implementation schedule. The FMLN must not add conditions to compliance with the agreements, he added.

[Begin Vargas recording] The government must comply with 116 points, while the FMLN must comply with five points, all of which have been unfulfilled. They have announced they will definitely not comply with some points. This must be known by the international political community. [end recording]

Vargas stated that given the proximity of the next deadline, the FMLN is still trying to dodge its responsibilities.

[Begin Vargas recording] The deliveries of weapons must be completed on 31 October. They do not need international assistance to accomplish this, only willingness and [word indistinct] political. They must understand what this process is all about, instead of making excuses to dodge their responsibilities. This is absolutely unacceptable. [end recording]

Nonetheless, the deputy chief of the Armed Forces Joint Chiefs of Staff voiced optimism over the dissolution of the FMLN security commissions, which is expected to take place in a real and objective manner.

[Begin Vargas recording] It is a definite and positive gesture. This is what we are all asking for. I hope the dissolution of the FMLN security commissions is conducted in an objective and real manner, instead of

partially and amid protests. We do not want to accuse or corner the FMLN. We want to comply with the agreements, because peace belongs to all Salvadorans. [end recording]

Gen. Vargas made the aforementioned statements after lecturing the diplomatic corps accredited in our country, as part of an activity by the Foreign Relations Ministry to inform foreign officials on the peace process.

Guatemala

Government Insists Peace Dialogue Will Continue

PA2808032692 Guatemala City SIGLO VEINTIUNO
in Spanish 26 Aug 92 p 3

[Text] The government peace commission stated during a 25 August news conference that the dialogue with the URNG [Guatemalan National Revolutionary Unity] has not failed because the talks will continue during September.

Government peace commission members pointed out that "the process has merely been adjourned. This means there has been no breakdown in the dialogue with the URNG and that what took place in Mexico on 24 August was simply the cancellation of a round of negotiations."

They emphasized that "things are not going badly, and the government delegation and the guerrillas are awaiting the specific date when discussions related to total peace will continue."

Government negotiators reiterated the executive branch's position that human rights will be respected without the need to reach a definite agreement with the guerrilla leadership.

According to the government representatives, the best evidence of this lies in the attitude demonstrated by the Armed Forces in handing over to the appropriate authorities all guerrillas who decided to abandon the URNG, thus respecting their fundamental rights.

They also indicated that unfortunately, the guerrillas "have provided evidence of their inflexibility, as well as their lack of political will to reach an agreement on human rights issues."

The civilian and military members of the government negotiating delegation believe that an agreement related to this issue is fundamental because violent actions are not well received by the people.

Honduras

Callejas Talks About Politics With Journalists

PA2708183792 Tegucigalpa Voz de Honduras
Network in Spanish 1843 GMT 26 Aug 92

[Report by Francisco Valeriano Giron on news conference by President Rafael Leonardo Callejas with unidentified reporters in Tegucigalpa]

[Text] [Giron] President Rafael Leonardo Callejas attended several ceremonies on 26 August to dedicate several public service institutions. He was accompanied by Raul Velasco, a goodwill ambassador from UNICEF, and other officials from the government and international health organizations.

At the end of one of these ceremonies, he was questioned about various topics of current national interest regarding politics and overall calm. We first asked him about the dynamite attack that took place on the evening of 25 August at the National Autonomous University of Honduras [UNAH].

He later explained why Press Secretary [title as heard] Olman Serrano left the government palace. President Callejas also categorically stated that he does not support the political aspirations of Roberto Martinez Lozano.

Let us listen carefully to President Callejas who also reports that Dr. Cesar Castellanos Madrid [minister of public health and social aid] will leave his post as of 1 September. Castellanos has also received permission to engage in political activities.

We first listen to President Callejas referring initially to the attack against a university professor the night of 25 August at the national university campus.

[Begin recording] [Callejas] I was very surprised at what happened on 25 August. The Armed Forces notified me of what type of attack it had been. I have no other information than what you already know. We have asked for a thorough investigation, because we are concerned about these types of actions at the university. We had something similar occur in San Pedro Sula. This situation of violence at the UNAH is a very serious problem, and I hope the authors of this attack and their reasons for carrying it out are revealed.

[Reporter] High-ranking officers of the Salvadoran and Honduran Armies met on 25 August. What is your opinion about this, Mr. President?

[Callejas] We very much agree with this meeting. General Joulwan, commander of the U.S. Southern Command, also attended this meeting for other reasons. The Honduran foreign minister and the deputy foreign minister also attended the meeting. Among other things, they discussed issues related to the struggle against drug trafficking.

On bilateral matters, they discussed the respect both nations will have for the ruling issued by the International Court of Justice [ICJ]. There was some concern about press reports that troops were mobilizing on one side or the other. That information is totally false, and the situation has been completely clarified by both the Salvadoran defense minister and the Honduran Armed Forces commander in chief.

[Reporter] Mr. President, your press secretary is apparently going to request permission to engage in political activities. It has been speculated that this is due to

internal political pressures, because he is so close to the virtual candidate of the National Party [PN]. Can we consider this a possibility?

[Callejas] In the near future he will withdraw to engage full time in political activities. Likewise, Dr. Cesar Castellanos is leaving the Health Ministry as of 1 September. Anyone else who will be working on an electoral campaign is free to do so.

In the specific case of Olman Serrano, who is very close to me and a very personal friend, we discussed this issue a few days ago. He told me he was not going to get involved in political issues. On 23 August he delivered a speech in Santa Barbara, so I met with him on 24 August to discuss the issue.

I told him that the secretary of information [as heard] is the official spokesman of the president of the Republic. In other words, this has nothing to do with political stands, but there cannot be discrepancies between what the president says and what his press secretary says.

A press secretary does not have much freedom to act. He speaks for the president of the Republic. It would cause me a great deal of problems and serious contradictions if the press secretary was referring to the political issues of a candidate that he liked.

By the way, I respect and admire Dr. Roberto Martinez Lozano. I believe he is a great nationalist. Some remarks have been made about the source of his financing, his political ideology. I do not feel there are any grounds for those remarks. He is a good nationalist. I have told him that I think he has great qualifications within the party, but this is not his political movement. We have frankly discussed the issue.

Well, I told Olman Serrano that we could not have those contradictions. If he continued in the post of press secretary, he was going to have to speak according to my personal criteria because the press secretary speaks and writes on behalf of the president of the Republic.

So we talked about that, and he told me he preferred to continue temporarily in political activities. He said he would request that permission and I agreed. There are no difference of opinions, there are no personal differences. I simply feel that the press secretary is a person that should speak, think, and feel in public exactly like the president of the Republic.

[Reporter] [Question indistinct?]

[Callejas] Not at all. I think many aspects of this require an in-depth study. The National Party had two large political movements: Jose Oswaldo Ramos Soto's Movement and the Callejist National Movement. These movements—one of which I have belonged to, the Callejist National Movement—agreed to nominate attorney Jose Oswaldo Ramos Soto as its candidate for the presidency of the republic. I support that decision.

That does not mean, however, that there could be no other hopefuls, including [presidential designate] Roberto Martinez Lozano, whose political efforts do not enjoy my support. I think he has enormous potential, but now is not the appropriate political time for his (?ideas). But he enjoys a right granted by Honduran legislation and the democratic spirit of the National Party.

He is still trying to become the candidate; that is his right, his decision. I am simply saying that attorney Jose Oswaldo Ramos Soto is the appropriate candidate for the National Party. Thus, it is obvious I cannot support Roberto Martinez Lozano's aspirations.

[Reporter] [Words indistinct] that Roberto Martinez Lozano's political campaign originates from the presidency [words indistinct?]

[Callejas] No, my stance is now clear. My support goes to attorney Jose Oswaldo Ramos Soto. Mrs. Nora Gunera de Melgar and Oswaldo held talks on 25 August and that pleased me. I think that despite his strong nationalism, this is not the appropriate time for Roberto Martinez Lozano's candidacy. I told him and people close to him that I did not think his candidacy would have a positive outcome. If internal elections were held, he would lose, the party would lose a good.... [two-second break in reception] He is free to voice his personal and political views as he wishes.

[Reporter] Mr. President, would you accept his resignation if presented?

[Callejas] No, absolutely not.

[Reporter] Then he is not talking about resigning?

[Callejas] There is no reason for that. I think there is speculation regarding the discussions I have had with Press Secretary Olman Serrano. I think my stance is correct and just; that is what I told him. I cannot have a press secretary who does not share my positions. He is the spokesman of my government and cannot voice personal opinions. That is my idea of what a press secretary should be. The vice president of the Republic, however, is completely free to voice his personal views, because he does not reflect my government's position unless serving as acting president. That is Roberto Martinez Lozano's case, because he has yet to serve as acting president of the Republic.

[Reporter] What about other ministers who are supporting Jose Oswaldo Ramos Soto, for example?

[Callejas] As Health Minister Cesar Castellanos, all of them will have to resign from the government when required by law. Remember that the law establishes 18 September as the day for the presentation of candidates. I understand between now and then all those who have electoral aspirations will resign, including Minister Castellanos.

[Reporter] Mr. President, apparently the government will announce its position on an incident that occurred in Miami [not further identified]?

[Callejas] I believe the government has already said it will defend the country's interests.

[Reporter] Mr. President, deputies and congressmen who will not remain in their posts have said you are the one who should not be on the list.

[Callejas] I do not know what you mean.

[Reporter] It is said that some deputies will be removed from the National Congress, that you have issued instructions on who should and should not be in Congress.

[Callejas] No, no, no. Absolutely not. I have nothing to do with the selection of candidates who will participate in the elections. I have recommended the names of two candidates who I believe should be considered when preparing the list of candidates for deputies. That is all. I have nothing to do with the party's selection of candidates. I believe candidate selection within political groups should be made by consensus, based on the individuals' working capabilities, their electoral alternatives, and above all, the people's will. The selection of candidates for mayors or deputies should be made in a general assembly.

[Reporter] Have you been informed about a meeting held on 25 August between Honduran and Salvadoran military commanders?

[Callejas] Of course. As I mentioned before, they discussed drug trafficking matters, and also reports that troops have been mobilized toward the Honduran-Salvadoran border, which is totally and absolutely false. They also discussed the attitude we should assume once the ICJ ruling is known, which should be one of respect for international law based on good faith.

[Reporter] What about the meeting with the PNH legislative bloc?

[Callejas] I have a long agenda for the meeting with the PNH bloc, which includes fiscal matters, political reforms, and changes so we can continue working on municipal decentralization by transferring some institutions to the community sector. In that regard, we have told Tegucigalpa residents that it is time to transfer the Tegucigalpa sewers and potable water service to the community, but not necessarily to the municipal government. We will also discuss the budget. Because 1993 will be an election year, we should remember that the government's main responsibility is maintaining fiscal austerity.

I will also review with them other matters of interest, such as constitutional amendments regarding reducing the number of deputies, alternatives concerning the reelection of deputies for more than two terms, and aspects of political party convocation [convocatoria de

los partidos politicos]. I was surprised to see that convocations were issued within the current framework. In my opinion, that eliminates the possibility of introducing amendments to the electoral procedures, such as separate voting [voto separado]. Although domicile voting [voto domiciliario] is not economically or organizationally feasible, I believe separate voting is possible. I want to discuss this matter with the deputies. I will try to find out the position of Liberal congressmen since convocations did not foresee the possibility of separate voting. I would like to know what happened. I have no information on how the debates on this subject ended. As I said, in my opinion the convocation by political parties—the Liberal Party of Honduras [PLH] since 8 July, and the National Party of Honduras [PNH] afterward—closes the possibilities for separate voting in the amendments to the Electoral Law.

The agenda for the meeting with the PNH congressional bloc will be very broad. I am not sure if Congress President Rodolfo Irias Navas has returned from his trip to Tampa to accompany his son to the university. I understand that he was stranded by Hurricane Andrew. I hope he will be able to return on one of the flights arriving at noon on 27 August so he can participate in the meeting I will hold with the PNH bloc. [end recording]

National Reconciliation Commission Reactivated.

PA2808005992 San Pedro Sula LA PRENSA
in Spanish 26 Aug 92 p 3

[Text] The National Reconciliation Commission [CNR] was reactivated on 25 August with the mission of carrying out specific duties after the International Court of Justice [ICJ] in The Hague issues its ruling on 11 September.

The commission will be responsible for preventing any clashes that may come about as a result of political passions during internal and general elections as has occurred in other occasions.

The CNR was established as an initiative of the Central American presidents during the second summit that took place in 1986 in Esquipulas, Guatemala. However, in some countries the council did not work adequately because of the lack of government cooperation.

In Honduras, the commissioners handed Jose Azcona Hoyos, who was president at the time, a final document on how to banish violence and how to reconcile Honduran families. Unfortunately, the government paid no attention to the recommendations of the CNR, and the organization ended its duties.

This time the CNR has an additional representative, since the position of human rights commissioner was added by executive decree. However, no candidate has yet been appointed to the position.

As always, the commission will be presided by Monsignor Hector Enrique Santos who represents the Catholic Church. He will be accompanied by government representative Cesar Batres; Hernan Corrales Padilla, a private citizen and representing the Honduran Christian Democratic Party [PDCH]; Ubodoro Arriaga Iraheta, for the Honduran Liberal Party [PLH]; and Olvan Valladares representing the Social Democratic Innovation and Unity Party, PINU- SD.

Msgr. Santos pointed out that the commission will readdress the issue of violence since there is evidence that it has increased. He added that the commission will try to convince the government to include religious teachings as a fundamental principle of the educational system "because the individual needs God".

On the other hand, Corrales Padilla highlighted the incorporation of the human rights commissioner who will watch over the permanent respect for the individual's human rights.

With respect to the ICJ ruling, the CNR's specific duty includes facilitating mechanisms that contribute to maintaining peace in the border area once the Court's ruling has been made public.

Further on Honduran, Salvadoran Military Meeting

PA2808040892 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 26 Aug 92

[Report by Lucia Alvarado]

[Text] The Armed Forces of Honduras and El Salvador have committed themselves to support the presidents of their two nations and to comply with the Hague International Court of Justice [ICJ] ruling on the border differences between the two countries. This was one of the conclusions of the meeting that took place on 25 August in Palmerola between the military commanders of Honduras and El Salvador. Lucia Alvarado reports:

[Alvarado] The meeting between Salvadoran Defense Minister General Rene Emilio Ponce and Honduran Armed Forces Commander General Luis Alonso Discua took place at Soto Cano Air Force Base in Comayagua. Three subjects were discussed at that meeting: arms trafficking, drug trafficking, and the future ruling of the ICJ, with both Armed Forces committing themselves to abide by the ruling.

We spoke about this with Colonel Napoleon Santos Aguilar, Honduran Armed Forces spokesman.

[Begin recording] [Santos] One of the issues discussed was arms trafficking, basically because of the recent seizure of large amounts of weapons, ammunition, and other war materiel in the country's south. We also reported on some routes used for arms trafficking and discussed the need for more coordination between our forces to check this crime in the region.

Another issue discussed was drug trafficking. The use of drugs, especially cocaine, in Honduras and El Salvador was also discussed. They discussed measures that the two Armed Forces, with the two governments, will adopt to prevent an increase in this type of crime. The regional free trade agreement is expected to have some negative effects because there will be traffic on our roads and airports freely transporting goods. We must analyze this problem because drug traffickers will try to increase their activities. They also discussed how the Armed Forces of El Salvador and Honduras can contribute to strict compliance with the ICJ ruling by both the Armed Forces and the governments. The position of the defense minister of El Salvador and of the commander of the Honduran Armed Forces was to endorse the government's decision to comply strictly with the ruling.

[Alvarado] In El Salvador there was concern over the presence of Honduran troops along the border. Was this situation clarified to the Salvadoran Defense Minister?

[Santos] One problem was the situation in Zazalapa, but as Honduran Deputy Minister Jaime Gelpo Gran has said, the presence of troops or police units in places like Meanguera, which are in dispute, does not violate the article on borders. What will happen is that once these territories are assigned to either of the two countries, there will be an exchange of authorities, but as I said earlier, this presence does not violate the status quo article. It should be pointed out that after analyzing the situation, it was concluded that much of the reporting on this has been sensationalistic. This should be avoided because this contributes to the creation of a feeling of uncertainty among the border people on both sides. This does not help the two countries and if the sensationalist reporting continues, it will create a feeling of uncertainty among the border people, something that is harmful for everybody. We believe, however, that there is no possibility of an armed conflict.

[Alvarado] Have the Salvadoran Armed Forces reaffirmed that they will respect the ICJ ruling?

[Santos] Both authorities, both forces, that is, the Armed Forces of El Salvador and Honduras, as well as the executive branches of the two countries, have reaffirmed their support and respect for the ICJ. [end recording]

This meeting is part of a process being implemented by the Governments of El Salvador and Honduras to improve their relations. We also asked Santos about the recommendations the two Armed Forces chiefs will make to their respective chiefs of state.

[Begin Santos recording] One recommendation is that the two governments restore the Duarte-Azcona commission that was created on 31 July 1986 based on the border treaty. This commission may work to alleviate the problems that the ICJ ruling will naturally create. It will be requested that the Duarte-Azcona commission be made ready to handle all the small problems that have to do with nationality, border markings, etc.

Another conclusion is that it is necessary to increase the cooperation between the two Armed Forces and to maintain open links of communication because this is the best way of avoiding problems that arise when situations are manipulated in a sensationalistic way. [end recording]

Panama

Ford Resigns Post as Planning Minister

PA2708223492 Panama City Radio Soberana
Civilista in Spanish 2005 GMT 27 Aug 92

[Weekly news conference by President Guillermo Endara with Second Vice President Guillermo Ford, Presidency Minister Julio Harris, Deputy Finance Minister Delia Cardenas, and unidentified moderator at the Presidential Palace in Panama City—live]

[Excerpts] [passage omitted] [Endara] Good afternoon. I have a very important announcement to make. For the past few weeks, Vice President Ford and I have been discussing the government's urgent need to have a ranking official supervise every aspect of the advancement and progress of the Economic Development and Modernization Program. This program requires a great deal of coordination and effort, and in our conversations we concluded that the best person to coordinate this huge effort is Vice President Ford himself. Thus, I offered to assign to him a number of duties in his vice presidential capacity, which is in accordance with the Constitution, and he agreed. These duties basically involve coordinating, directing, and supervising the execution of every aspect of the Economic Development and Modernization Program.

Ford accepted the job, but we also noted that he could not continue to be the [planning and economic policy] minister because his ministerial duties are time consuming and carry many responsibilities, which would take away from the time he would and should devote to this effort. Therefore, on 27 August he tendered his resignation as planning and economic policy minister.

This [words indistinct] cabinet, and I have the honor and pleasure of announcing that I have chosen a Panamanian woman, a worthy Panamanian woman, who has extraordinary and proven capabilities, and many merits. I must add that I am fulfilling a promise I made during my campaign: there would be a woman in my cabinet. Of course you already know that the new planning and economic policy minister is Delia Cardenas.

[Moderator] My dear reporters, I request that you ask one question each time. [words indistinct] the number of people who would like to participate. First of all we have reporter Manuel Espana of Radio Exitosa.

[Espana] Good afternoon. Mr. President, over the past week your party has announced two nominations for parliamentary president; one nomination was

announced formally and the other was announced by several sources in your party. In my opinion, this indicates a lack of leadership and unity in your party. What is your opinion on Mr. [Aurelio] Alba's (?ambitions)?

[Endara] The only nomination I am aware of is the one made by the party. I wasn't even involved. The Arnulfista Party has nominated only Lucas Zarak. I know of no other nomination.

[Espana] It is said that Mr. Alba is more worthy of the presidency.

[Endara] I do not know. As far as I know the party has not nominated him. [passage omitted]

[Moderator] Ernesto Beleno, Radio Belen.

[Beleno] Good afternoon Mr. President, Vice President Ford, Mrs. Delia Cardenas. I think the mandatory question at this point is: Who will replace the new planning minister as deputy finance minister? Also, Mr. Ford, I want to address you within your new post: How will you sell what no one previously has been able to sell, meaning the modernization plan? Agrarian, livestock, and commercial groups criticize the tariffs. We want to know what will be the new strategy in your new post.

[Endara] The first question is for me. We do not have a new deputy finance minister for the time being. I will first talk with Finance and Treasury Minister Galindo and appoint a new deputy finance minister taking his views into consideration. The second question is yours, Mr. Vice President.

[Ford] I want to use this great opportunity publicly to thank the president for the support and repeated trust he has given me at all times, and for appointing me to this new post—which you will learn about in the presidential decree. This represents a responsibility far beyond what I could do within the Ministry of Planning and Economic Policy. At the same time I feel extremely proud not only because a great Panamanian woman has been distinguished but because she is a fellow party member and a prominent member of Molirena [Nationalist Liberal Republican Movement]. She will replace me as minister of planning and economic policy.

Specifically speaking about the other issue, I do not share your opinion. What happens is many times we have a tendency to listen to groups that would rather maintain the status quo for one reason or another—and I justify their position and understand it. The program for the modernization of the Panamanian economy is going along at the designed speed. We will not stop. We will make the necessary adjustments as I promised on several occasions. I have met with all the groups and I will gladly continue to do so. Nevertheless, the program is a reality. Economic growth between 1990 and 1992 is really surprising for all Panamanians. Now we must continue to implement the program so it reaches the poorest and most needy groups in the country, because economic growth has stopped at the middle and upper classes—

and President Endara's administration is duty bound to bring the economic growth and benefits to the most needy groups. [passage omitted]

[Moderator] Mario Echeverria, Radio Libre.

[Echeverria] Good afternoon, Mr. President. My question is about Darien Province.

[Endara] By all means.

[Echeverria] Now that Minister Ford has been appointed to an important position, I would like to know: What is the final result of the pledge between Panama and the United States concerning the Darien Gap, meaning uniting South America with Panama and Central America? The other question is: Why hasn't the land ownership issue been settled in Darien when a solution is needed urgently to create agricultural farms in the province?

[Endara] The question is addressed to the minister?

[Echeverria] To you and to him.

[Endara] Oh, I see. Do you want to answer?

[Ford] Regarding the Darien Gap, I must warn you we contacted the United States on this in 1990. You may recall there is an agreement which says Panama will contribute part of the funds and the United States will contribute another part to open the Darien Gap. The budget could not include these funds at the time given the tight situation and the deficit we faced. In fact, Panama has yet to be reimbursed more than \$12 million for building a portion of the highway. This is a project the government has yet to discard, but we cannot lie and say a solution is imminent.

Referring to the land titles, we must be extremely careful. You have seen the media reports on the great devastation of Panama's forests and the ecology problem. If we try to issue land titles we actually could cause an uncontrollable disorder in the ecology problem. This has caused a series of national phenomena we must avoid. In other words, the first case currently is being analyzed by the Inrenare [Institute of Renewable Natural Resources] and it cannot be immediately settled because it must be subject to careful study. The Darien Gap is obviously a financial problem. The cost of opening the Darien Gap and extending the highway to Turbo, Colombia, is extremely high.

[Moderator] Roberto Rodriguez, Radio KW Continente.

[Rodriguez] President, you are scheduled to address the nation on 1 September according to your constitutional duties. What will be the main topic in your message to the Panamanian nation? That is the first question. The second question is: The budget commission detected that \$250 million were paid in excess of budget appropriations for the foreign debt payments. How could this have occurred if the amount was not included in the budget?

[Endara] I will answer the first part and leave the second part to you, Mr. Vice President. I confess my speech is still in the initial stages. I can only give you general ideas. The general idea is to present a summary of what has happened until now and what I propose to the Legislative Assembly as a task. Those are essentially the contents of the speech that, I insist, is still in the initial stages. Minister, about what was recently said....

[Ford] Upon my return from the United States, I was again able to ascertain the Honorable Legislator Milton Henriquez, chairman of the budget commission, likes to talk when I am not in Panama. This is a coincidence that tends to repeat itself. I will address him through you, with due respect for you and for him, of course. I ask the Honorable Legislator Henriquez to prove the national government has paid an amount not included in the budget.

Mr. President, I want to use this occasion to state and clarify to the country, once and for all, that payments to the International Financial Institutions [IFIs] began in April 1990—when Ricardo Arias Calderon, first vice president of the republic and minister of government and justice, and four other Christian Democratic Party [PDC] ministers, participated in a cabinet meeting and unanimously approved the decision to start making the payments. Second, three general budgets approved by the honorable Legislative Assembly, with the PDC members' participation, also included payments to the IFIs. We are surprised Mr. Henriquez is trying to establish a comparison between the failure to implement the budget in the public works sector and our payments to the IFIs, which the PDC members supported—although they have never said so.

[Moderator] Journalist Alexander Calderon, Radio Mia.

[Calderon] I have two questions, Mr. President. Is it true a mission organized by the Japanese Government will arrive in Panama on 30 August to review a preparatory study of the Panama City-Colon highway? Will the executive branch request the Legislative Assembly's approval for additional credits to the Social Security Board so it may pay the 12th-month [as heard] bonus?

[Endara] The 13th-month bonus.

[Calderon] The 13th-month bonus.

[Endara] Yes. The first point is right. I cannot guarantee it will be on 30 August; it will be either at the end of this month or early next month. A Japanese mission will come to conduct a study on the Panama City-Colon highway.

I will not guess on the nature of the study they are going to make—how important or large it is going to be. I do not know if this is going to be a simple feasibility [pre-factibilidad] study or a full study complete with plans on how the road should be built. This is something that will be determined during their visit. To complete my reply, I must add that the Panamanian Government

on its own, without assistance from any other government, is planning to improve the current Panama City-Colon Highway by building a third lane on curves and hills to expedite the flow of traffic. We will open bids on this Panamanian proposal—bids for the study very soon. [passage omitted]

[Moderator] Abelardo Serracin, ACAN-EFE wire service.

[Serracin] What is your opinion on the Colombian Government releasing Mr. Edgardo Lopez Grimaldo [former Panama Defense Forces spokesman sought on legal charges]? [passage omitted]

[Endara] I must say I respect international law and the sovereign decisions made by our sister countries. It is Colombia's decision if the Lopez Grimaldo case is or is not a political case. I understand Colombia has decided to grant him political asylum. I will respect that decision and I will reserve any personal opinion I may have and respect the sovereign opinion of the sister Colombian Government. [passage omitted]

[Tomas Cupas, UPI] I ask the vice president, a long time friend, if his resignation from the Planning and Economic Policy Ministry is to comply with the Constitution to be able to run as a presidential candidate in the next elections?

[Ford] I was asked when I resigned, now you ask when I will announce my candidacy. I am not going to announce my candidacy because I am not running. Being a state minister does not preclude me from becoming a candidate. According to the Constitution, to run for any leadership post requires resignation six months before the election. My decision, at the request of His Excellency, the president, [3-second break in reception] is to distance myself from the electoral process to start the investment stage in this country. We have to start now, because if this improvement of the national economy occurred during (?mid-1993), I would say that what the government is doing is political demagoguery. Very responsibly, as head of state, the president has decided that what we all have to do, all of us, all of my former cabinet colleagues—because by constitutional mandate I have the full right and I will attend all cabinet meetings with a right to be heard—is to remove ourselves from politics at this moment and dedicate our best efforts to deliver to this country a message, no longer of optimism, but of realities and facts. [passage omitted]

[Endara] The Constitution specifies that I must work with all three government branches in harmony. There is no problem. I want to tell all of you present that you will be handed a copy of the resolution [words indistinct]. You have this already? This will be handed out now. Many thanks. [passage omitted]

Legislators At Odds Over Zarak Nomination

PA2808022392 Panama City Circuito RPC
Television in Spanish 2300 GMT 26 Aug 92

[Text] Legislator Marco Ameglio announced on 26 August that sectors close to the government are using pressure and threats in an attempt to impose the nomination of Lucas Zarak for president of the Legislative Assembly.

Overt and covert pressures have been reported to various media sources by the pro-government legislators belonging to the dissident group known as the "Ninjas," who once again this year are attempting—with the support of the Christian Democratic Party—to attain the leadership of the Legislative Assembly's board of directors.

[Begin recording] [Ameglio] Certain government sectors have established a political strategy based on harassment, accusations, and attempts to discredit my position as head of the legislature, but I have not responded to those attacks. I believe there may be threats, blackmail, or any number of incidents, but I cannot prove it. Personally, I have only been pressured through threats and unfounded accusations which have been spread through the media.

[Unidentified speaker] I do not believe any nomination is being imposed. It is up to the Arnulfists Party to nominate a candidate. The president, as an Arnulfist, has accepted the nomination, and I have been told that the party's National Directorate has also given the nomination its consent. If Lucas Zarak was chosen by the Panamenist Party to occupy the assembly's presidency, I believe the remaining pro-government factions in the legislature should simply adhere to that position. [end recording].

President Endara's inclination toward the candidacy of Legislator Lucas Zarak has prompted serious criticisms from certain legislators.

[Begin recording] [Ameglio] The president personally has expressed his support [for Zarak]. I do not believe, however, that he can come to the Legislative Assembly to vote on 1 September. A commission of legislators will ask him to deliver his message to the nation from the Legislative Assembly following the new president's election.

[Unidentified speaker] I believe the president is fully empowered to state his points of view because he is an Arnulfist. [end recording]

Over the past few days a group of approximately eight pro-government legislators from the Molirena [Nationalist Liberal Republican Movement] and Arnulfists parties have expressed support for the efforts currently underway by the "Ninjas." Nevertheless, on 27 August the Molirena legislators will decide, along with their

president, who they will support on 1 September. However, everything seems to indicate that for the sake of partisan discipline they will be forced to support Legislator Lucas Zarak.

Government Minister Supports Municipal Police

PA2808034292 Panama City *CRITICA LIBRE*
in Spanish 20 Aug 92 p 2

[Report by Arnulfo Mendoza]

[Text] Government and Justice Minister Juan B. Chevalier on 20 August justified the creation and operation of the Municipal Police, adding that all the municipalities which have the means are responsible for protecting their facilities, among other things, and they should opt for the creation and installation of their own Municipal Police.

Chevalier was asked about the formation and installation of this armed corps which, he said, should be called

Inspectors Corps rather than Municipal Police. Although the Attorney General had warned it represents a violation of the Constitution, Chevalier argued: "We are learning to live in democracy and municipalities have the right to protect their assets."

He denied everyone is trying to create their own police, as it has been erroneously reported recently.

Moreover, he added, police checkpoints will continue to operate over the weekends, and they will not be established at fixed points because the measure includes several areas. He said the idea is to prevent, rather than repress, because the former is a police function.

He also said contacts continue with friendly countries which have offered their advice for the creation of a professional police which will benefit the community. However, the main concern is to get scholarships that will help to train policemen at the officer level within their respective specialties.

Argentina

Menem News Conference Lauds Economic Policy

PY2708213792 Buenos Aires Radio Nacional Network
in Spanish 1500 GMT 27 Aug 92

[Excerpts] At a news conference given [in Montevideo] by Argentine President Carlos Menem and his Uruguayan counterpart, Luis Alberto Lacalle, President Menem was asked about the Argentine economy, namely the economic plan and criticisms expressed against it. Menem said:

[Begin recording] Vitriolic remarks on the administration's economic plan have been hurled since I took office. They stem from self-interests that have been thwarted by our economic proposals. Our economic policy is sure to succeed, because it is not a person's policy—it is not Minister Cavallo's, but the administration's. It was launched on 9 July 1989, when I stated that we should change the course of history, reform the state, apply political freedom to economic endeavors, end the fiscal deficit, and reinstate Argentina in the international community. [passage omitted]

The country's stability has been consolidated. You must bear in mind that unemployment has been reduced from 12 percent to 4 percent, and inflation has been curbed—from an all-time high of 26,000 percent annually in 1989, it has bottomed out and is expected to reach 20 percent this year. You cannot fail to admit that we reached a momentous agreement with the provinces with regard to the appropriation of federal funds, which will enable the provinces to commit funds to spur on growth, earmarking 15 percent of the apportioned funds to pay old age pensions.

You must also consider that Argentina's economy has grown considerably over the last few years, and we are therefore promoting social programs. You may wonder why we did not do so before. We did not embark on those programs because we did not have the financial resources. We had nothing to give but poverty and complete destitution, an indebted country with a worthless currency—which is a symbol of sovereignty—and not a dollar in our vaults. There was not a single dollar at the Central Bank in 1989. Now we have \$10 billion in gold and foreign exchange reserves, which back Argentina's money supply. [passage omitted] [end recording]

Bolivia

Minister on President's Uruguay Visit, Stopover

PY2708222892 La Paz Television Nacional Network
in Spanish 1700 GMT 27 Aug 92

[Text] During his stopover in Argentina President Jaime Paz Zamora did not meet any Argentine official, nor did he make any official visit. The presidential plane merely stopped there to fill its tanks.

Presidency Minister Gustavo Fernandez emphasized the importance of the agreements signed by Paz Zamora in Uruguay—including the one he signed with his counterpart Luis Alberto Lacalle creating the waterway that will allow Bolivia to reach the Atlantic Ocean. He added that the president of the Republic did not contravene any congressional order.

[Begin Fernandez recording] He left for Buenos Aires, where he made a stopover. His mother, who was in that city, boarded the plane and they returned to Bolivia yesterday.

I have read many articles speculating on why the president of the Republic left Uruguay. What I am reporting here today is strictly the truth. The president's visit to Uruguay has been successful in all aspects. The atmosphere of our relations with President Lacalle and the Uruguayan people could not be any better. We can only feel gratitude and appreciation for the way the Bolivian delegation and the president were welcomed in Uruguay, a country that has traditionally maintained a beautiful ties of friendship with Bolivia. [end recording]

Fernandez then pointed out the importance of signing the agreement on the waterway, and said that it strengthened the political relations between Uruguay and Bolivia.

Brazil

Collor, Leaders, Ministers Discuss Situation

PY2808021992 Brasilia Voz do Brasil Network
in Portuguese 2200 GMT 27 Aug 92

[Report by correspondent Lourival Macedo from Planalto Palace]

[Excerpts] At Planalto Palace, President Fernando Collor today met with ministers and government leaders in Congress. They discussed our country's political situation.

During his meeting with the ministers of state and the leaders of the political parties that are supporting the government in Congress, President Collor made an assessment of the current political situation and outlined a strategy to prevent the impeachment of his government.

Planalto Palace spokesman Etevaldo Dias said that the president will not resign and never thought of resigning, and that those who believe they will be able to convince the president to resign are deluding themselves. [passage omitted]

Deputy Jose Lourenco, the PDS [Democratic Social Party] deputy leader in the Chamber of Deputies, who also participated in the meeting, said the government can already count on 253 votes in its favor, which is enough to prevent the impeachment. He also announced that there are no hesitant deputies.

In Lourenco's opinion the 165 deputies who do not want to disclose their vote will vote for the 35 million Brazilians who voted for the president.

In order to begin an impeachment process, the opposition requires the vote of two-thirds of the 503 deputies, while the government requires but one-third, that is, 168 votes.

Columnist Predicts Collor May Leave in 15 Days

PY2708194992 Madrid EFE in Spanish 1733 GMT
27 Aug 92

[By Zoilo G. Martinez de la Vega]

[Text] Rio de Janeiro, 27 August (EFE)—Governors, cabinet members, political parties, the military, bishops, businessmen, and people on the street—all of them want President Fernando Collor to leave power as soon as possible, if possible in 15 days, to avoid an uncontrolled economy and ungovernability.

The most popular chant among demonstrators these days throughout the country—"Yea, yea, push Collor until he falls"—is the one that best depicts the President's dramatic agony, which one deputy defines as "a case of extreme unction."

The forces that are today pressuring Collor to resign or for his impeachment are so many and so powerful that veteran columnist Carlos Castello Branco, who is almost infallible in his political predictions, states today that Collor will be unable to remain in power for more than 15 days.

The approval of a Congressional Investigating Committee report charging the president with corruption by 16 votes against 5 shows that the government will be unable to gather the 168 votes in the Chamber of Deputies (one third of the total) required to block an impeachment process.

In view of this, all the forces have been mobilized to resolve the crisis.

The governors of 12 states, which represent 82 percent of the nation's GDP [gross domestic product], have already expressed their support for Collor's ousting, and have urged him to resign "to shorten the suffering."

The cabinet members, particularly the so-called "clean hands" who two days ago decided to continue in the government "to manage the transition," are also in favor of a sudden death, and rumor has it that today they may urge Collor to resign.

The presidents of all opposition parties yesterday held a meeting to negotiate a governability pact to help the transition until Vice President Itamar Franco assumes power.

According to PMDB [Brazilian Democratic Movement Party] President Orestes Quercia, "the post-Collor government cannot be a partisan administration, but a government comprised of notables who are backed by the political support of the different political parties."

Former Communist Roberto Freire believes that "the new Government will not be elected by the people, but by one-third of the Congress, which will be responsible for the government's stability."

The newspaper JORNAL DO BRAZIL says that whatever the solution to the national crisis, the military want it to be constitutional and short. The last thing they would want to do is to take tanks out into the streets against the people, because they could reproduce a massacre similar to the one in Tiananmen Square.

Luciano Mendes, president of the National Conference of Brazilian Bishops (CNBB), will meet today with Justice Minister Celio Borja to ask him to talk to Collor about the appropriateness of resigning.

The powerful Sao Paulo State Federation of Industries (FIESP) yesterday analyzed the possible scenario of an Itamar Franco government, and concluded that "Itamar cannot be worse than Collor" and that any solution is better than indefiniteness, particularly if the solution is a short one.

Senator Albano Franco, president of the National Industries Confederation (CNI) and "an old Collor supporter" [collorido de sempre], said that if it depended on him, all Brazilian companies would support Collor's downfall.

Sure of a happy ending, the people in the streets have turned the drama into a carnival, with songs and music that will stay on in history, such as: "This is not a joke, a gang leader is the nation's president." And for Collor's wife: "Rosane, what a sad thing, you spent 9 million on stockings and clothes."

Moreira Lauds Collor's Economic Achievements

PY2708190492 Madrid EFE in Spanish 1717 GMT
27 Aug 92

[Text] Brasilia, 27 Aug (EFE)—Economy "Superminister" Marcilio Marques Moreira today told EFE that a radical transformation of the Brazilian economic system is the main political legacy of President Fernando Collor.

Marques Moreira said that, through the implementation of a drastic program of economic reforms upon his inauguration in 1990, Collor put an end to an obsolete model that had been adopted in the wake of World War II, but which had collapsed in the 1980's.

Marques Moreira, a 61-year-old former Brazilian ambassador to the United States, today gave an interview to a group of foreign correspondents. He expressed his belief that a decision as to whether Collor should remain in office will be made in the next three weeks.

Marques Moreira did not defend Collor against the charges—which could cause his impeachment—brought against him. The “superminister” noted, however, that he continues to be loyal to the president, whom he praised for his decision to promote an economic revolution. “No one can deny the president this merit,” he said.

Despite the adverse situation for Collor, Marques Moreira was calm and in a good mood. He expressed satisfaction over the fact that the state apparatus, and particularly the democratic institutions and the market economy, are functioning.

Marques Moreira noted that he is patiently waiting for the “unfolding” (solution) in Congress to the situation and that, along with a group of colleagues who are considered “notables,” he is intent on “maintaining the basic conditions of governability.”

The “notables,” who have neither broken off with Collor nor have defended him, were not invited today to Planalto Palace to attend a political meeting aimed at counting again the number of votes upon which the government may count to defeat the impeachment.

Secretary of Government Jorge Bornhausen and Social Action Minister Ricardo Fiuza were among the eight ministers whose jobs entail political activities and who attended this crucial meeting. Also attending the meeting were the presidents of the two official banks and leaders of the pro-government coalition of seven parties.

Marques Moreira said that the stability observed this week on the financial market, despite the publicity surrounding the release and voting on a Congressional Investigating Committee's report that has incriminated the president, shows that the country's democratic institutions are prepared to deal with the crisis. “Brazil is greater than the crisis it is experiencing,” he added.

In reply to an EFE question, the “superminister” emphasized Collor's contribution to setting up a neoliberal program and to streamlining a “mammoth state” to make it more effective, modern, and in keeping with the international economy.

Marques Moreira added that the economic model that existed before Collor was successful in terms of figures because it brought about an average 7-percent growth from 1947 to 1980, but this program was “insensible to social needs.”

Marques Moreira said that this previous model overlooked basic education, social inequalities, and the need for infrastructural facilities. He added that it was highly protective in light of its policy of substitution of imports, that the state was the main manager, that it was based on foreign loans, and that it caused high inflation rates.

Marques Moreira noted that among the causes for the widespread anti-Collor movement is the discontent of powerful economic corporations that had been sheltered

by protectionist measures and which were hurt by Collor's economic reform program.

The economy minister added that the national democratic institutions would not have survived this serious crisis under the old state manager model.

Marques Moreira said he is in favor of establishing in Brazil, as of January 1995, a parliamentary system of government based on the German model that would include a mixed district voting system and provision for the motion of censure.

He noted, however, that even under that system it would be preferable for the chief of state to be elected by the people in elections similar to those of France and Portugal.

Opposition Accelerates Impeachment Process Vote

PY2708205192 Rio de Janeiro O GLOBO in Portuguese 27 Aug 92 p 1

[Text] Once the final report of the CPI [Congressional Investigating Committee] on the PC [Paulo Cesar] Farias case was approved yesterday, by 16 votes to five, ministers and opposition politicians began to work to accelerate the voting process on President Collor's impeachment. In order to prevent allowing the extension of the crisis to further affect governability, Justice Minister Celio Borja visited Justice Sidney Sanches, president of the Federal Supreme Court, Senate President Mauro Benevides, and Chamber of Deputies President Ibsen Pinheiro to request their quick action in the procedure to make the request for impeachment.

More categorical still, the presidents of the opposition parties, except for the PDT [Democratic Workers' Party], suggested the immediate resignation of Collor to curtail the political instability. For Senator Fernando Henrique Cardoso (PSDB-SP) [Brazilian Social Democracy Party-Sao Paulo] the Collor government is over, and the only way out is to install Itamar Franco. The OAB [Brazilian Attorneys Association] decided to bring forward to 1 September its impeachment request before the Chamber of Deputies. Monsignor Luciano Mendes de Almeida, president of the CNBB [National Conference of Brazilian Bishops], and Deputy Ulysses Guimaraes (PMDB-SP) [Brazilian Democratic Movement Party] will suggest that Minister Borja counsel President Collor to resign.

Minister, Chamber of Deputies President Meet

PY2808021392 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 27 Aug 92

[Report by correspondent Alicia Santiago from Congress]

[Text] Justice Minister Celio Borja today met again with Chamber of Deputies President Ibsen Pinheiro. The minister wanted to know if the Chamber of Deputies president had already decided on the proceedings that

would be implemented with regard to a possible request to remove the president of the Republic.

Today, 24 hours after meeting with the Senate and Chamber of Deputies presidents to talk about our country's governability, Justice Minister Celio Borja returned to the Chamber of Deputies.

Minister Celio Borja comments on today's conversation with Deputy Ibsen Pinheiro, the Chamber of Deputies president, with whom he met for fewer than 30 minutes.

[Begin Borja recording] I (?came) to ask President Ibsen Pinheiro if he had already made a decision with respect to the pace he plans to follow on the (?disclosure) [words indistinct] the president. President Ibsen Pinheiro told me that he still does not have a response to this question and that, as soon as he does have one, he will inform me, the government—in due time. [end recording]

Deputy Ibsen Pinheiro guaranteed to the Justice Minister that when he makes a decision he will inform everyone, so as not to catch anyone by surprise.

[Begin Pinheiro recording] I am going to decide in accordance with the law, in accordance with the rules. I told this to the ministers. I am not going to catch anyone by surprise. I do not intend to administer using fear. This is incompatible with the austerity expected from the management of this process. I am not going to catch anyone by surprise. The government will not learn of my decision from the newspapers. The opposition will also be informed. [end recording]

Deputy Ibsen Pinheiro believes there is no problem in proceeding with this issue. The contents are the real problem: knowing how the deputies will vote.

Further on Collor's Interview With Argentine TV
PY2808020192 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 26 Aug 92

[Text] President Fernando Collor has said the country continues to live in an atmosphere of normality. He made this statement during an interview granted last night to an Argentine television program. The interview, in Spanish, was retransmitted to several Latin American capitals and 17 U.S. cities. The following are excerpts of the interview. The quality of the image is not good. President Collor's first answer is about democracy:

[Begin Collor recording in Spanish with superimposed report in Portuguese] The president said that democracy in Brazil is strengthened, and the greatest proof of this is the political moment the country is currently living through.

Regarding stability in the country, the president answered that the important issue currently is that the country continues living normally, that the institutions are guaranteed, and that the Constitution is being respected.

As for the street demonstrations, President Collor said they were not as large as reported. He said that the demonstrations were normal and democratic, and many of them expressed support for the government.

About the president's state of spirit, the president said his conscience is calm, and that nothing can hinder his work or his commitment to his government program. [end recording]

PMDB Expels Paulo Cesar Farias; PC Laughs

PY2808032492 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Aug 92 Section 1 p 5

[Article by correspondent Xico Sa]

[Text] During a meeting held on 21 August in Maceio, the directorate of the PMDB [Brazilian Democratic Movement Party] decided to expel businessman Paulo Cesar Farias, aka PC. Alagoas PMDB branch president Djalma Falcao said that "we have already sent a request to the TRE [Regional Electoral Board] to free us from this unpleasant company." Ten days ago, during a debate on TV Globo by the candidates for the post of prefect of Sao Paulo, Paulo Maluf (PDS) [Social Democratic Party] revealed that PC was a member of the party led by Orestes Quercia.

PC laughed when he learned about the PMDB decision. He said he knew it would happen.

Collor 'Advised To Be Absent' From Army Event

PY2708231392 Sao Paulo FOLHA DE SAO PAULO in Portuguese 26 Aug 92 Section 1 p 4

[Text] Brasilia—The Armed Forces yesterday commemorated the Day of the Soldier without the presence of President Fernando Collor. Collor was advised to be absent by Planalto Palace, which is already becoming worried about the president's attendance at the 7 September Independence Day ceremonies in Brasilia. Collor's presence at the Independence Day commemorations is at the focus of criticisms by troops in the Brasilia garrisons.

During the ceremony the military ministers made an effort to transmit a sense of unity among the Armed Forces. Army Minister Carlos Tinoco said that the Armed Forces "remain united and ready to comply with their constitutional mission." The military fear they will be forced to suppress riots.

The ceremony that took place yesterday morning in the Army headquarters was attended by Sao Paulo Governor Luiz Antonio Fleury Filho, Maranhao Governor Edison Lobao, Roraima Governor Otomar Pinto, Foreign Minister Celso Lafer, Health Minister Adib Jatene, Mines and Energy Minister Pratini de Moraes, and Transportation Minister Affonso Camargo.

'Riots' Feared If Impeachment Not Approved

PY2708232192 Sao Paulo FOLHA DE SAO PAULO
in Portuguese 25 Aug 92 Section 1 p 14

[Text] Brasilia—The ministers of the Army, General Carlos Tinoco, of the Navy, Admiral Mario Cesar Flores, and of Aeronautics, Lieutenant Air Brigadier Socrates Monteiro, followed on television the reading of the CPI [Congressional Investigating Commission] report. In private the ministers believe that the impeachment request will not be approved in the Chamber of Deputies, and they fear that such a situation may unleash a wave of riots in the country.

The Famir (Federation of Reserve Military Men Associations), which groups more than 12,000 members, yesterday released a message requesting the president's resignation. "Given that Mr. Fernando Collor de Mello's connection with the PC [Paulo Cesar Farias] scheme has been proven by the CPI, we request that he save the motherland from the embarrassment and the costs of an impeachment process by resigning from his post," the note states.

The message was drafted in the Torre Palace Hotel in Brasilia, with the aid of Deputy Jair Bolsonaro (PDC-RJ) [Christian Democratic Party-Rio de Janeiro]. The order of the Day of the Soldier, which will today be read at Army headquarters in Brasilia, will show the Armed Forces' concern.

Arrest of Former Chilean Agent Viewed

PY2708131692 Sao Paulo O ESTADO DE SAO
PAULO in Portuguese 23 Aug 92 p 16

[Article by Miguel Blanco]

[Text] More than an adjustment of accounts between the court and a sinister ex-torturer, the arrest of Chilean citizen Osvaldo Romo in Sao Paulo has rung the bell to begin a new round between President Patricio Aylwin and General Augusto Pinochet. A suspicious man by nature Pinochet, like very few, is very familiar with ways to handle a government. Pinochet suspected as soon as he heard the news of the arrest of a former agent from his repressive organization, that it was a maneuver against him.

According to officers close to the general, this suspicion became reality when President Aylwin phoned President Fernando Collor to ask that the former torturer be returned to Chile as soon as possible.

Those officers add that Romo was reportedly located long ago but the Chilean police only alerted the Brazilian Federal Police during last week of July, so that Romo could be deported in August.

It may be an exaggeration but no one doubts that, for the Chilean Government, the discovery of the sadistic former agent of the Dina [National Intelligence Directorate]—Pinochet's political police—could not have happened at a better moment.

This move is not an attempt to overthrow the general from the Army command where he entrenched himself after governing the country for 17 years, and where, according to the Constitution, he can remain until 1997.

During the first six months of his government, Aylwin made efforts to overthrow him, but the offensive ended in December 1990 when the general put the Army on alert, showing that he would do anything to remain in the Army.

The president concluded that the price on Pinochet's head—a bloody conflict that could damage the country's political and economic stability—was too high. But he has never given up the idea of neutralizing him, considering the large share of power the 76-year-old general maintains.

People close to Pinochet have assured that he has accepted the impossibility of fulfilling a dream he has nourished since his defeat in the 1988 plebiscite: a return to the presidency through the ballot boxes in 1993.

Pinochet has another project in mind, which the government considers very dangerous and which Romo's arrest may help to neutralize: It is an ambitious plan to modernize the Army, from the renewal of weapons to a new doctrine entitled "Facing a World Without a Cold War."

Leaked to the press a few weeks before the arrest of the former torturer in Brazil, the plan was labelled by his main advisers as "Pinochet's last great work." One officer said: "Just as from 1973 to 1990 he modernized the country, from 1992 he will modernize the Army."

The project was announced by Pinochet 21 August during a ceremony at the Santiago Military School as a part of Army Month, which was established by the general since leaving power and which consists of a marathon list of ceremonies ending with the traditional 19 September military parade.

The finding of Romo by no means helps the general's project to sell an image of a modernizer of Chile who now wants to do the same with the Army. Romo's mere presence in the news, recalling the thousands of crimes committed by the military structure which branded him as a torturer, is already considered a disaster.

If Romo speaks up he may unveil other dreadful episodes. Many officers who worked with him are still in active service and must be called to testify before the court, although they may ultimately be absolved by the amnesty decreed in 1978.

The Army's nervousness became clear when the military court requested that all proceedings against Romo be withdrawn from the civil court and be transferred to military courts. The justification for this is that many officers on active duty will have to testify.

Aylwin's decision to take advantage of the situation became clear on the eve of the announcement of the

modernization project, in a speech delivered on the occasion of the anniversary of Bernardo O'Higgins, the founder of the Chilean Army.

Aylwin said: "O'Higgins worked to conceive an Armed Forces as a factor of national unity, and not of leaders, of factions, or parties." Those who know Pinochet have no doubt that there will be retaliation and the next few weeks will surely be very agitated.

But the general's most realistic adversaries have no doubt that everything will end with a negotiation and the most probable thing is that, should his health continue to hold up, Pinochet will remain as Army commander for a long time. The price on his head is still very high.

* Changes Result in Improved Export Picture

92SM0557A Sao Paulo VEJA in Portuguese 29 Jul 92
pp 90-91

[Text] Brazilian firms are doubling their exports and relying on international trade to help them compete with foreigners.

Brazilian exports are the segment of economic life that brings strong currency into the country and creates one job for every additional \$12,500 it produces. They are one of the extremely few sectors that do not know the meaning of the word "recession" today. With some luck, the sector may record historic figures this year. From January through June, the country's exports totaled \$17 billion. At that rate, Brazil may reach the end of 1992 with record exports of \$34 billion. That would be the biggest haul of dollars from abroad since the end of the last decade, when our exports peaked at \$33 billion. In part, but only in part, the economic recession explains the jump recorded during the first six months of this year. Extremely high interest rates are making it too expensive to keep inventories, so whatever is not sold on the domestic market is going to the foreign market. Moreover, there are three changes for the better in the Brazilian economic framework, and they are boosting exports.

They are the following. First, the administration is no longer holding the price of the dollar down artificially as part of the fight against inflation, as it was doing last year. When the dollar buys fewer cruzeiros than the market forces say it should, exports stall. Second, Brazil has solved its problems with foreign creditors. Result: The banks have opened lines of financing for exporters to the value of \$6 billion annually. Those lines had been reduced by half because of the series of defaults in the payment of our foreign debt. And third, until February, products for export were subject to the IPI [tax on manufactured products]. A minor administration package in February removed part of that tax burden.

'Security'

"The exporter needs a minimum of security for his planning. When he gets that, the results are not long in

coming," says Michel Alaby, a foreign trade expert in Sao Paulo. Agreement on the debt, removal of the lid on the dollar, and the tax measures announced by the administration were no more than reasonable reforms for an economy trying to straighten itself out. But they were enough to enable Brazilian exports to take off and the firms to record fat profits. Even companies like General Motors, which was in trouble because unsold vehicles were backing up in its inventory, are finding room to grow. GM's exports totaled \$200 million during the first half of this year, compared with the \$250 million worth it sold on the foreign market during all of last year.

The sales volume achieved by some firms is starting to look impressive. Toga, a packaging manufacturer, increased its exports by 91 percent in comparison with the first six months of last year. That is a record for Toga, which has the exclusive right to manufacture a number of products such as toilet soap wrappers and beer bottle labels. "In a depressed economy like ours, exports have again become the best solution," says Sergio Habersfeld, Toga's president. Sadia, which has captive markets in the Middle East and Europe for its chickens, is also savoring good results. Its exports during the first half of the year totaled 200,000 metric tons, an increase of 60 percent over last year. Other firms not only doubled their sales but also took the opportunity to introduce new products. Rhodia was able to place three new types of industrial fiber—which still have no equivalent in Brazilian stores—on the foreign market.

A more deep-seated and longer-lasting factor is involved in this movement to export. Generally speaking, Brazilian firms have always viewed exports as a sporadic solution for selling their production, particularly when sales on the domestic market were crumbling. That behavior seems to be changing as a result of the opening up of the country's commercial sector. Companies today are already looking at exports as a means of withstanding the arrival of foreign products. To find partners abroad, the Brazilian exporter is having to reduce his costs, improve his products, and offer quality guarantees. Those requirements are also teaching him to improve the products he sells in Brazil by investing in productivity and competitiveness.

Winning customers

If the price and quality of his product are attractive to the foreign consumer, the exporter will be able to stand up to imported products. The industrial arm of the Iochpe Group, a company that controls a bank, an insurance company, ranches, and several factories, spent 1991 improving its production of vehicle wheels. It also improved a number of parts that it manufactures for buses and trucks. In 1992, the group increased its foreign sales by 67 percent. "Exports had a very good year. We learned by taking risks," says Norberto Farina, corporate general manager at Iochpe. Perdigao, an exporter of salame, linguica sausage, mortadella, and chicken, is contemplating a change in the taste of its ham, which

may become milder and less salty. The standard for the new taste will be foreign hams.

All the firms making big money from the 1992 export harvest have experience in the foreign market. Sadia has been exporting since 1965. Light Metal, an auto parts manufacturer in Sao Paulo with a subsidiary and laboratory in the United States, has been operating abroad for 17 years. The export sector constitutes an elite of 500 firms accounting for 85 percent of the country's sales abroad. Until now, small firms have remained outside that club because they lacked the ante for winning foreign markets. Winning a foreign customer can take years. For example, it took Light Metal 13 years to make its first contacts.

Thanks to Mercosur [Common Market of the South], the common market that Brazil, Argentina, Uruguay, and Paraguay intend to have in full operation by 1995, small firms will get their chance. "Mercosur can be a source of learning for those firms," says Jose Mindlin, president of Light Metal. For that matter, Mercosur has not really even gotten started yet, but it is already boosting business for small, medium-sized, and large firms. One example is Neugebauer, the chocolate manufacturer that supplies 21 percent of the demand in Rio Grande do Sul. It has reached an agreement with a Uruguayan firm to sell a chocolate-covered Uruguayan cookie in Brazil. Neugebauer will import 20 metric tons of those cookies per month. In return, it will be able to export its products to the Uruguayans.

At Kepler Weber, a firm that produces silos and warehouses, sales to Mercosur are expected to reach \$7.9 million this year, or 360 percent more than in 1991. Brahma is investing \$140 million in the construction of a brewery in Santa Catarina. That brewery's production will go to the southern countries. The Aurora Wine Company, which is one of Brazil's largest wine producers, has a contract in Argentina. It will export wine in long-life packaging, among other products, and wants to increase its sales to Argentina and Uruguay from \$1 million to \$5 million. The list of deals being made by Brazilians along that border is extensive.

Bureaucracy

Brazil is a long way from being an export tiger, although it possesses almost all the tools it needs to become one. The \$34 billion worth of goods that it may sell abroad this year represents about 10 percent of the gross national product, and that is not a big percentage. Last year, Germany alone exported \$398 billion worth of goods—the equivalent in value of Brazil's total production. Manufacturers and ranchers have achieved impressive feats. Brazil is one of the largest exporters of coffee and is No. 1 in exports of orange juice. Its meat packing industry very capably sells chicken to Japan, sausage to Argentina, and hamburger to Portugal. In the international market, however, the country is not important. It accounts for a little more than 1 percent of international trade.

As a result of the stabilization of foreign exchange and the agreement on taxes, it has now taken a step in the right direction as far as exports are concerned. It will be able to improve its export industry a great deal if it can solve other, perhaps more complicated problems. A huge bureaucracy exists on the backs of exporters; the country lacks roads for carrying its products from the interior to the ports, and the ports are totally inefficient. "Brazil has advantages, but it has not yet been able to transform them into effective competition," says Marcus Vinicius Pratini de Moraes, minister of mines and energy and former president of the Association of Brazilian Exporters.

Chile

Argentine President Arrives for Official Visit

PY2808031992 Santiago Radio Cooperativa Network in Spanish 2300 GMT 27 Aug 92

[Report by correspondent Mario Contreras from mobile unit]

[Text] Argentine President Carlos Saul Menem has voiced his deep satisfaction in visiting Chile again. Menem arrived at the Arturo Merino Benitez airport at 1835 today. He was welcomed by President Patricio Aylwin. An Air Force detachment presented arms to both presidents.

Menem made the following brief remarks to the press:

[Begin recording] Messrs. Journalists: I want to convey to you my deep satisfaction upon returning to this dear Chilean fatherland to visit its people and the Chilean president, who is a great friend of Argentina. We will hold a news conference tomorrow. I also want to convey my respect for those who express their opinions through the various mass media here and in the rest of the world. Thank you very much. [end recording]

The purpose of Menem's visit to Chile is to evaluate the implementation of bilateral agreements with his Chilean counterpart. Menem is accompanied by Foreign Minister Guido di Tella, the Argentine deputy foreign minister, the nine governors of the provinces bordering Chile, and congressmen from the binational parliamentary commission. Menem will stay in Chile until tomorrow.

Ambassador to Yugoslavia Recalled in Protest

PY2708215692 Santiago Radio Chilena Network in Spanish 1700 GMT 27 Aug 92

[By correspondent Luis Coiro]

[Text] The Chilean Government has decided to recall its ambassador in Belgrade in protest over the escalation of human rights violations in Bosnia-Herzegovina.

This is reported in an official communique released by the Chilean Foreign Ministry, in which the ministry points out that it has instructed its delegation in the United Nations to support a call to a UN Human Rights organization special meeting requested by the United States.

Thus far, Luis Jerez Ramirez has been acting Chilean ambassador to Yugoslavia.

Contacts With Peruvian Armed Forces Increasing

PY2708174892 Santiago *EL MERCURIO* in Spanish
17 Aug 92 p C7

[Excerpts] Relations between the Armed Forces of Chile and Peru are at a positive level never achieved within the past few years. This optimistic statement was made by representatives of high-ranking officers from the Army, the Navy, and the Air Force who have just returned from Lima, where they met with their Peruvian counterparts.

The meeting was held last week in Lima under strong security measures due to the subversive-terrorist activities that shocked Lima a few days previously. The meeting was held at the exclusive Cesar's Hotel in Miraflores, where the Chilean delegation, headed by Air Force General Fernando Rojas Vender, was staying. [passage omitted]

The main objective of the session from the very beginning was "to promote mutual confidence" which has been so necessary since the armed conflicts that separated the two nations. [passage omitted]

To "wipe out" past events that divided the two nations, the top officers adopted measures which include Antarctic cooperation by Chile in favor of Peru.

The measures also include joint exercises between the naval forces; bilateral conferences by the intelligence directorates; the exchange of military personnel on cruising training courses, historical episodes, and other professional activities; protocolar, professional, and intelligence meetings between the commanders of border garrisons and naval zones; reciprocal invitations to participate in cultural, artistic, professional, and sports activities; the exchange of magazines and publications which are of interest to the Armed Forces; tourism promotion among military personnel from the two countries, and technological logistic cooperation." [no opening quotation marks as published] [passage omitted]

Ministers Sign \$1.5 Billion Contract

PY2708173892 Santiago *Radio Chilena Network*
in Spanish 1100 GMT 25 Aug 92

[Excerpts] Economy Minister Carlos Ominami and Mining Minister Juan Hamilton have signed a \$1.5 billion contract with representatives of the U.S. company (Phil Dodge) and of Sumitomo Metals from Japan.

The contracts provides for the tapping of the La Candelaria copper and gold deposit in the Third Region. Ominami said this is one of the largest investment projects in Chilean history. [passage omitted]

The La Candelaria deposit, located south of Copiapo, was discovered by (Phil Dodge) in 1987. The project will provide jobs to 1,500 people as of 1995 and will produce 100,000 metric tons of copper a year. [passage omitted]

Colombia

Escobar Given Ultimatum for Sentence Reduction

PA2708185092 Santa Fe de Bogota *Inravisión*
Television Cadena 1 in Spanish 1630 GMT 27 Aug 92

[Report by Guillermo Gonzalez]

[Text] Attention: If drug trafficker Pablo Escobar Gaviria does not turn himself in within the next 24 hours, he will lose many of the benefits granted by justice, the prosecutor general has stated.

Drug trafficker Pablo Escobar Gaviria has until 28 August to surrender. Prosecutor General Gustavo De Greiff announced on 27 August that if Escobar does not surrender, he will lose the benefits of sentence reduction for the crime of escaping from prison.

De Greiff explained that the deadline offered by the Prosecutor General's Office for Escobar and his henchmen to appear before justice expires on 28 August. If they do not turn themselves in by that time, they will not enjoy the benefits of sentence reduction for having escaped. If the escapees do not turn themselves in before the deadline expires, they will be declared absent defendants and the government will appoint defense attorneys to represent them.

[Begin De Greiff recording] That deadline expires on 28 August. If they do not surrender, they will lose the right to sentence reduction for their escape. However, they will enjoy the right to sentence reduction for turning themselves in if they choose to do so in the future. [end recording]

Prosecutor General De Greiff added that the initial stage of the proceedings will conclude in less than three months, adding that the names of those directly responsible for the escape of Pablo Escobar Gaviria will be known.

The high-ranking official stated that the investigation in the case of La Catedral Prison is making good progress. He concluded saying that Colombians must have confidence in justice.

FARC Stages 'Violent Attack' in Meta Department

PA2708221592 Santa Fe de Bogota Emisoras Caracol
 Network in Spanish 1200 GMT 27 Aug 92

[Text] Villavicencio—The Meta Department and eastern plains police command has issued an initial report on the toll of the violent attack on San Juan de Arama municipality by FARC [Revolutionary Armed Forces of Colombia] guerrillas on the night of 26-27 August. According to Colonel Eduardo Cuellar, the area police commander, the toll so far is one soldier killed and three soldiers, four policemen, and two civilians wounded. The police garrison was burned down by the guerrillas. At this time, 7th Brigade and National Police units are trying to reach the town to assess the situation following this new guerrilla incursion in Meta Department.

Rebel Political Movements, Parties Lose Status

PA2808012992 Santa Fe de Bogota Inravisión
 Television Cadena 1 in Spanish 2300 GMT 26 Aug 92

[Text] The National Electoral Board has annulled the legal status of 12 political parties that failed to obtain the required number of votes in the past elections. The decision resulted in confrontations between the government and some demobilized guerrilla groups.

In an unexpected move, Luis Camilo Osorio, Supreme Electoral Tribunal official, and the National Electoral Council triumphed over the following movements: Hope, Peace, and Liberty (EPL), Quintin Lame, and Workers Revolutionary Party. The National Electoral Board's decision canceled the legal status of these parties, which allowed them to act as legal political movements. The measure also had an effect on the traditional Colombian Communist Party, which has operated in the country for 62 years. The measure also affected eight other movements: the Christian Democratic Party, the Workers Revolutionary Movement, the Popular Front, the Socialist Workers Party, the Democratic Front, the Movement For a New Nation, the Galanist Democratic Union, and the People's Liberal Alternative Movement. Here are Luis Camilo Osorio's statements:

[Begin recording] [Osorio] Legal status is annulled if one of the required conditions is not met.

[Unidentified reporter] Do you mean the required 50,000 votes?

[Osorio] That is correct, the 50,000 votes required to obtain a seat in Congress. [end recording]

The decision stunned the leaders of the demobilized guerrilla groups, who accuse the government of violating, with this measure, the peace agreement signed more than one year ago. Here are comments by EPL movement member Anibal Palacios.

[Begin Palacios recording] The agreement reached with the government considered the EPL's recognition as a legal organization. [end recording]

As far as the communists are concerned, the decision demonstrates an obvious persecution that attempts to dismiss the party's presence in the nation. These are Communist Party Deputy Manuel Cepeda's comments:

[Begin Cepeda recording] We have been illegal many times in the past, but the Communist Party has not died out. This time it is not a case of legality, but it is the whimsical notion of some of the National Electoral Board officials. [end recording]

The political parties that are affected by the measure lost the right to be financed by the state and to make use of television time.

CNGSB Presents Proposal for Negotiations in Video

PA2808013892 Santa Fe de Bogota Inravisión
 Television Cadena 1 in Spanish 2300 GMT 26 Aug 92

[Text] The Simon Bolivar National Guerrilla Coordinating Board [CNGSB] now presents its political stance through a musical video. The "24 Hours" newscast obtained the cassette in which Ivan Marquez presents a new proposal to return to the negotiating table, presumably on 31 October. When you get down to the bare facts, the only thing new in their proposal is its presentation.

The guerrillas' new style has taken them into the video era to express their political positions. They now mix their speeches with folk music and scenes of peasants carrying out their daily tasks. [Colombian folk music is heard]. This half-hour video was filmed in El Tolima and its goal is to respond to the government's new demands for the return to the negotiating table. These conditions were disclosed by Peace Adviser Horacio Serpa Uribe, amidst the escalation of terrorist activities in the past few days. Here are Serpa Uribe's comments:

[Begin Serpa Uribe recording] We are demanding that the rebels make known to the Colombian community their complaints, their position, their demands, and the basis of their rebellion. In this way, we will be able to redefine the outlook of the negotiations. [end recording]

In the video seen by "24 Hours," Ivan Marquez, one of the CNGSB negotiators, uses television techniques to express the rebels' position. Although the expressed position is aimed at resuming the bogged down negotiations, nothing has changed since the peace conversations started. Here are comments by Ivan Marquez in the video:

[Begin Marquez recording] Dismissals are increasing, the cost of living is rising, and new taxes are being levied. We must arrive at the solutions to these problems to get on the right track toward our goal: peace, which all of us long for. [end recording]

In addition, the rebels demand a change in the manner in which the government has conducted its peace policy. They propose a broader negotiating team to include the Congress and the Judiciary that could surmount, in their opinion, the constant delay of the negotiations. The government's response to this request is unknown. Although the guerrillas added music and technology to their latest proposal, the return to the negotiating table still has not caught on to the rhythm.

Peru

Government Creates 'Managerial Support Fund'

PY2708165692 Lima EXPRESO in Spanish
13 Aug 92 p A3

[Excerpt] To guarantee the implementation of the reactivation plan that is being drawn up by the economic team, the government has created, through Decree Law No. 25650, a Managerial Support Fund [Fondo de Apoyo Gerencial] for the public sector. The decree law was published yesterday in the official gazette, EL PERUANO.

The decree law, which has been described by economic team members as a substantive point to achieve the short-term goals that are being drawn up, seeks to resolve the "lack of program management by the government."

The idea is to centralize the management of funds from donations from various levels of the executive branch. Following the creation of this Managerial Support Fund, donations will be directly administered by the Economy and Finance Ministry. "We will begin to manage ourselves," an Economy and Finance Ministry spokesman said. [passage omitted]

Unfulfilled Promises Promoting Social Conflict

PY2808000092

[Editorial Report] Lima EXPRESO in Spanish in its 17 August edition on page A5 carries a 900-word unattributed article in which Andean Lawyers Commission President Diego Garcia Sayan is cited as stating that any possibility of reaching the goals of the antidrug strategy is remote, because the government is unlikely to comply with the proposals made to coca growers in the agreement signed with the United States. The article cites Garcia Sayan as saying that this situation is generating a social conflict, which could turn the Huallaga zone into a "true powder keg." He says that the deterioration of the standard of living and the demagogic offers could become the detonators.

The article paraphrases Garcia Sayan as saying that the crisis and the low prices for products are forcing peasants to leave major agricultural areas in the central Huallaga zone to go to other regions, like Upper Amazonas and Ucayali, where coca production is more profitable. He is cited as noting that "coca plantations are increasing steadily in

Ucayali, and most coca growers are producing base cocaine paste to make their production more profitable."

The Andean Lawyers Commission president is further cited as saying that coca producers continue to support an alternative program to replace coca, but under efficient and true market conditions. The article quotes Garcia Sayan as asserting that "the current situation could cause a social explosion, with Shining Path terrorists taking advantage of it."

The article goes on to cite Garcia Sayan's affirmation that the international community is currently concentrating on Peru's internal conflict rather than on drug trafficking, because terrorism is being seen as a regional threat. Consequently, the possibility of promoting ambitious development programs are even more remote. He is quoted as saying that the peasants from the Huallaga zone "do not even have a representative to whom they can turn to present their proposals and to demand that promises be complied with."

He is further quoted as stating that "the strategic interest in relations with the Andean countries, and particularly with Peru, is no longer drug trafficking but the Shining Path activities, which are considered a threat to the region." He adds that in face of this situation "the possibility of obtaining resources to finance a possible alternative development program is even more difficult than ever."

Diplomats Ordered To Counteract Propaganda

PA2808033192 Lima Global de Television Network
in Spanish 0100 GMT 27 Aug 92

[Text] The foreign minister issued a communique ordering Peruvian representatives, diplomatic missions, and consulates to continue activities to counteract the effects of the Shining Path propaganda campaign until further notice. The communique also says that this campaign is to deny and clarify twisted information Shining Path is spreading to benefit its criminal objectives.

* Social Spending Slated To Increase in 1993

92SM0562A Lima EL PERUANO in Spanish 17 Jul 92
p B-1

[Text] The 1993 budget, the preparation of which has already begun, will call for substantial funds for social programs and will be aimed at undertaking investments to ensure the advancement of productive activity over the medium term. This announcement was made to our economic studies team yesterday by a high-ranking official from the Ministry of Economy and Finance (MEF).

He stressed that, with this intention, resources will be directed toward the National Compensation and Social Development Fund (Foncodes) and the National Food Assistance Program (Pronaa). The reason given is that, during the past few weeks, it has been possible to initiate,

successfully, programs directed by the heads of those agencies themselves, Arturo Woodman and Mario Velasquez, respectively.

Similarly, investments in the public sector will be increased considerably, with emphasis on the continuity of the so-called special projects, such as Chavimochic, Majes, and others. The same source remarked that spending on highways will be another item for consideration. He commented: "The impetus for regional production must be fostered by improvements in communication and transportation facilities."

He also observed that the infrastructural requirements in the health and education sectors will be taken into account, reminding people that, in the present budget, only 900 million new soles were allocated for investment. Approximately 2 billion will be allocated the next year.

On the other hand, he pointed out that the elimination of 13 taxes achieved during the course of the week will facilitate the collection process. He concluded by saying: "Combining taxes into five or six major categories could provide more realistic support for the next fiscal year."

Uruguay

Bolivia's Paz Zamora Signs Agreements 25 Aug

*PY2608225092 La Paz Radio Fides Network
in Spanish 1100 GMT 26 Aug 92*

[Text] Bolivian President Jaime Paz Zamora and his Uruguayan counterpart Luis Alberto Lacalle yesterday signed important bilateral cooperation and trade agreements within the framework of the regional integration process.

Bolivian President Jaime Paz Zamora, who on 25 August ended a three-day official visit to Uruguay at the invitation of his counterpart Luis Alberto Lacalle, said that his country looks forward to Latin American integration within the framework of the different integration processes in which Bolivia is involved.

Regarding the Mercosur [Common Market of the South], President Paz said we feel part of Mercosur because as Latin Americans we do not have to ask anyone for permission, because we are all part of the same continent, and because without being a full member we are part of Mercosur's energy center through our natural gas sales to Argentina and the project agreement [to build a gas pipeline] we signed with President Collor de Mello in Santa Cruz a week ago.

We cannot deny that Mercosur affects us, because we are located in Mercosur's energy center, Paz Zamora said during a long speech in Montevideo.

Lacalle, Menem Sign Extensive Declaration

*PY2708201892 Montevideo Radio El Espectador
Network in Spanish 1600 GMT 27 Aug 92*

[Excerpt] Uruguayan President Luis Alberto Lacalle and Argentine President Carlos Saul Menem signed today an extensive joint declaration. The main aspects of the declaration are: regarding the dredging of the canals in the Martin Garcia area, they reaffirmed their will to carry out this project, without delay, to improve navigation for the benefit of the economies of the two countries through the participation of private groups.

Regarding port development, the presidents emphasized the process of port deregulation which is being implemented by the two countries. They pointed out the favorable prospects of this process for the interests of the two countries, especially [words indistinct], and also expressed their satisfaction over the progress made in the work being done for the construction of the Buenos Aires-Colonia bridge. This includes the bidding to be held in Buenos Aires on 8 and 9 September, which will allow private companies to participate in public works concessions with private risk capital. They also reiterated their determination to continue with the necessary steps to carry out this project, which will play an important role in the regional integration project.

Regarding Salto Grande, the two presidents emphasized the favorable conditions of the negotiations being held between the two countries to expand the electrical power of the Salto Grande dam, to facilitate the navigation of the Uruguay River, and to search for appropriate solutions to pending matters by using common ideas in various aspects of this project.

Regarding electricity equivalence, the two presidents considered the possibility of holding talks, after appropriate consultations, on possible guidelines that would allow the liberalization of electricity exchange between the two countries.

Regarding the waterway, they pointed out the progress made during preliminary meetings held by the delegations of the two countries within the framework of the first economic cooperation agreement, as current technical studies will soon provide positive results for improving the agreement.

Regarding fishing, they said that it is highly positive to witness the activities of the Mixed Technical Commission and the Maritime Front, especially on matters related to the conservation of live resources and the protection of the marine environment.

Regarding Mercosur [Common Market of the South], the two presidents ratified the political will—expressed by the Mercosur Council that met in Las Lenas on 26-27 June with the presence of the presidents of Argentina, Brazil, Paraguay, and Uruguay—to strictly comply with the timetable established for fully putting the Mercosur mechanisms into operation.

Regarding the River Plate Basin waterway the two presidents expressed their satisfaction over the significant progress made for [words indistinct] river transportation on the Parana and Paraguay waterways, Caceres port, Nueva Palmira port, and over their additional protocol signed in Las Lenas on 26 June. The two presidents praised how fast the Mercosur members were able to obtain results, which shows their political will for integration and the importance of a new economic vision, where mutual respect for their common future prevails.

The two presidents also reiterated the importance of the Rio Group for preserving the basic principle of international law and the defense of representative democracy in the region. In this regard they expressed [words indistinct] the upcoming meeting of presidents to be held on 1 and 2 December 1992 in Buenos Aires.

They also emphasized the importance of the conclusions of the Second Ibero-American Conference of chiefs of state held in Madrid last July. The two presidents also pointed out the role of their governments for strengthening international peace in accordance with the UN resolutions. In this regard they recalled the active participation of members of their Armed Forces and police, and especially the Uruguayan military units stationed in Cambodia and the Argentine military units stationed in Croatia.

They also ratified the importance obtaining a swift and successful conclusion to the Uruguay Round in international trade, because it will allow the developing countries to have better access to the markets of the highly industrialized countries. In this regard they praised the effort made by the two governments. They also expressed satisfaction over the results of the UN Conference on Environment and Development held in June in Rio de Janeiro, because it provided guidelines for carrying out effective solutions to the growing deterioration of the environment and the ecosystem.

These are the most important aspects of the joint declaration of Presidents Lacalle and Menem released in the Libertad Building today.

Afterwards, in a news conference, the two presidents were asked about the problems in Brazil. The two agreed that they are expecting the institutional stability in Brazil to strengthen that important country, which is a partner in regional integration. [passage omitted]

Education Minister, Under Secretary Installed

PY2708145292 Montevideo EL PAIS in Spanish
20 Aug 92 p 1

[Summary] Antonio Mercader on 19 August was installed as Education Minister, while Pablo Landoni was installed as new under secretary of education.

Venezuela

Officials Comment on Turpial Investigation

Navy Denies Arrest Warrant

PA2708141892 Caracas Venezolana de Television
Network in Spanish 2315 GMT 26 Aug 92

[Text] The Venezuelan Navy, one of the corps involved in the Turpial case, issued an official communique categorically denying that an arrest warrant had been issued for its general commander, Vice Admiral Ignacio Pena Cimaro. The document states:

The Venezuelan Navy General Command, in defense of its dignity and the exemplary manner in which it has always fulfilled the duties assigned to it by law, which is above the personal conduct of some of its members, and in light of the irresponsible and not entirely truthful information published in the 26 August issue of EL NACIONAL announcing that arrest warrants had been issued for several officials—an article whose contents are not totally true as the Navy General Commander is groundlessly included among those involved—feels compelled to denounce such rash reporting done for dubious purposes. The report confuses the people and creates uncertainty among Armed Forces members.

Minister on Warrants

PA2708173892 Caracas Venezolana de Television
Network in Spanish 2315 GMT 26 Aug 92

[Monitored in progress]

[Text] ..the procurement of communication equipment for a network system for the Venezuelan land and Navy forces. The investigation was ordered by Fernando Ochoa Antich, who was defense minister at the time and is currently foreign relations minister. The defense minister has assured that this judicial action will not affect the credibility of the armed institution.

[Begin recording] [Defense Minister General Ivan Jimenez Sanchez] I understand that the judge ordered the arrest of Division General Lopez Perez, Navy Captain (Dubben Parra), and Colonel Jose Aponte Hinojoza in accordance with Article 70 that regulates public workers. For aggravated embezzlement under Article 58, the judge ordered the arrest of Vice Admiral Argenis Garcia and Vice Admiral (Carato Molina). For aggravated embezzlement under Article 59, the judge ordered the arrest of Vice Admiral German Rodriguez Citraro. The other information I have is that the Superior Protection Tribunal [Tribunal Superior de Salvaguarda] requested the case file, but I do not know if that could somehow reverse the judge's arrest warrant. Anyway, I do not have any official information—I have not received anything from the judge—this is simply what I have been told unofficially.

[Unidentified reporter] Could this affect the Armed Forces' image?

[Jimenez] There is no reason for the Armed Forces' image to be adversely affected because only certain members are going on trial and the judges have not yet sentenced them.

We, as an institution, are obviously affected by the fact that our men are being tried, but we will also emerge from this situation a stronger institution. We believe that in this case we will come out stronger as we have done on previous occasions. [end recording]

After leaving the Miraflores Palace, Defense Minister Gen. Ivan Dario Jimenez Sanchez held a meeting with the high military command in his office. The meeting was attended by General Oswaldo Suju Raffo, Armed Forces inspector general; Admiral Radames Munoz Leon, chief of the Joint Chiefs of Staff; and General Abdilio Zambrano Castellano, military justice director. They analyzed the significance of this measure as well as the future consequences of the situation.

Minister Ochoa Cited

PA2808013992 Caracas Venezolana de Television Network in Spanish 1600 GMT 27 Aug 92

[Report by Cecilia Pachano in Caracas]

[Text] General Fernando Ochoa Antich, former defense minister and current foreign minister, held a news conference earlier today and said he has no responsibility whatsoever in the Turpial network case. Referring to this, he said the problem was reported while he was defense minister.

Gen. Ochoa showed the media documents which prove the Turpial network contract was negotiated, signed, and should have been carried out prior to his appointment—meaning between 1988 and 1990. He added the National Armed Forces' Comptrollership General granted a 14-month extension in February 1990, postponing completion of the contract until November 1991.

Gen. Fernando Ochoa Antich added he ordered an investigation as soon as he assumed his post and, once irregularities were detected concerning the early payment of promissory notes to the company, he ordered the Inspector General's Office to conduct an administrative investigation; and he presented a report to the president and the National Armed Forces Comptrollership General.

[Begin Gen. Ochoa recording] Undoubtedly, all the contacts with Mr. Pedro Lovera—so he would reimburse the republic for the illegal benefits he had received—were fruitless. Likewise, he could not fulfill his pledges by the time the contract expired. That is why I rescinded the contract and ordered all the necessary civilian and mercantile actions, which should be underway right now, so the republic is paid for all the damage this contract may have caused. [end recording]

Former Defense Minister Ochoa Antich agreed with Gen. Ivan Dario Jimenez, the current defense minister,

that the actions carried out by some of his officers do not have to affect the Armed Forces. He believes the Armed Forces will emerge stronger on this occasion, as it has done in the past.

Media Representatives Comment on Perez Meeting

PA2808015392 Caracas Venezolana de Television Network in Spanish 2300 GMT 26 Aug 92

[Report by Milagros Rodriguez]

[Text] Representatives of the Press Association and the radio and television industry met with President Carlos Andres Perez on 26 August to discuss the financial and fiscal laws that have been introduced in Congress. The idea is for the media to provide their objective and journalistic support so these new economic laws, especially the tax laws, will not be misinterpreted and there will be a favorable public opinion climate. The representatives of the press, radio, and television industry expressed their total support in this regard.

[Begin recording] [Marietta Hernandez, president of the Chamber of the Radiobroadcasting Industry] We brought up this point. Since we are in a preelection period, sometimes economic news is used for political objectives. We asked that the spokesmen chosen by the government to clarify doubts about any negative information be individuals who can speak clearly and honestly to the people. We are pleased by the way in which the Central Bank president [Ruth de Krivoy] spoke to us. All these promises must be kept.

[Eduardo Aleman, president of the Press Association] The media were called so that President Perez and Dr. Krivoy could explain to us in a very clear way the country's grave fiscal situation. They are aware of the economic crisis and are seeking solutions. They asked for the media's support with positive actions that will lead to the improvement of the economic crisis.

[Hector Ponsdomenech, president of the Chamber of the Television Industry] The president spoke about the upcoming congressional debates on the financial and fiscal laws. He asked the media to deal with them as they have always done, with the greatest objectivity. [end recording]

On another topic, Hector Ponsdomenech described the presidential decree on the system and control of television concessions as an attack on economic freedoms. This issue was not included in the agenda of the 26 August meeting.

Central Bank President Ruth de Krivoy spoke at the meeting between the media directors and President Perez. After the meeting, she stressed that the Central Bank does not have final estimates on the consumer price index because it varies according to economic activity. She added that the new laws, especially the tax laws, aim to reduce the inflation rate.

Commission Formed To Reorganize Finance Ministry

*PA2808033292 Caracas Venezolana de Television
Network in Spanish 1600 GMT 27 Aug 92*

[Text] Central Information Office Director Angel Zambrano announced the Finance Ministry's reorganization. He added that the decision represents an important step within the austerity measures being implemented by the executive branch to control public expenses and reduce the fiscal deficit.

[Begin Zambrano recording] A commission has been appointed, formed by Finance Minister Pedro Rosas

Bravo, Office of Coordination and Planning, Presidential Committee to Reform the State, the Venezuelan Central Bank, and a private sector representative—Dr. Pedro Pardo. He will form the commission for the Finance Ministry's reorganization and restructuring. [end recording]

The decision was adopted by the Council of Ministers, who also agreed to give all the offices a deadline—30 September—to submit their budget requests for next year, so they may be evaluated before a definite estimate is made for the 1993 budget.